
Mississippi Economic Review and Outlook

Notes to Readers

Hurricane Katrina plowed across South Mississippi and left massive devastation at both the individual and community level. But out of the rubble emerged the strength and resiliency of our people and the good will and humanitarianism of those who came to their aid. From an economic perspective, people lost jobs, income and property. However, the rebuilding effort is already creating economic activity that will cause the state's economy to grow faster than it otherwise would have for years to come. This growth is reflected in our out-year projections of the economy.

Phil Pepper
State Economist

This issue of the *Review* contains several articles related to the effects of Hurricane Katrina, in addition to the national and state economic forecasts, and an article by demographer Barbara Logue on trends in the state's work force. I examine challenges facing the state in the aftermath of Katrina, while Darrin Webb looks at state revenues and Bob Neal examines disaster response in rural areas.

Comments and feedback on this special issue are welcomed, and may be published as letters to the editor. To subscribe to this *Review*, see the form on the next page. National projections are based on the forecast of Global Insight, Inc. As always, the views expressed in the *Review* are those of the authors and do not necessarily represent the official position of the Center for Policy Research and Planning or the Mississippi Institutions of Higher Learning.

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NATIONAL ECONOMIC OUTLOOK: EXPANSION SLOWS; KEY DECISIONS AHEAD

A rising federal debt and high energy prices will not end the current upswing in the U.S. economy. Moderate growth in excess of 3% is predicted for the next three years.

Employment grew an estimated 1.6% in 2005, despite the net loss of 35,000 jobs in September due to Hurricane Katrina. Solid employment growth is also expected in 2006. However, wages and salaries, which had been rising faster than inflation, are now lagging behind due to increasing energy costs.

Nationally, oil prices have dropped since Labor Day, but remain high. Natural gas prices are high as well, contributing to increased inflationary pressure. The consumer price index is up 3.5% for the year, prompting the Federal Reserve to continue its financial tightening. The federal funds rate may reach 4.5% by January.

The housing market is cooling, except in areas hit by this year's hurricanes. Consumer expenditures on motor vehicles are also slowing as consumers retrench.

Exports are not growing rapidly enough to close the widening trade gap. The current account deficit will likely hit \$900 billion in 2006. There has been some improvement in the economies of major U.S. trading partners, including Japan and several Eurozone countries, but a further decline of the dollar will be needed to close the trade gap.

The major risk to the forecast presented here comes from the potential for higher energy costs that would slow consumer spending and increase prices and interest rates. This could also lead to a drop in confidence in the dollar, which would reduce foreign investment.

The U.S. economy has faced and overcome formidable obstacles this year, from Hurricanes Katrina and Rita to soaring energy costs and ballooning trade and budget deficits. Businesses have continued to invest, and consumers to spend, keeping the economy rolling.

Private sector investment looks strong heading into 2006, but the other domestic components of demand are expected to grow at more modest rates than this year. Trends in key indicators of demand over the coming quarters are shown in Table 1.

Both consumer and government spending will slow, due to rising debt levels. **Federal expenditures** are currently at record levels, and both Congress and the President are proposing budgets that would reduce the

rising deficit. State and local governments, as well, are hard-pressed to maintain current spending levels. It is expected that governments at all levels will soon be facing the tough decision of whether to raise revenues, cut services, or both.

Consumers, too, will be tightening their belts. The personal savings rate fell below zero for the second time since World War II this fall, and, as Table 1 (line 11) shows, consumer confidence has been falling. Light vehicle sales and housing starts (lines 8 and 9) are cooling. Foreign demand for U.S. products, the final component of total demand, lacks the punch required to offset the domestic factors leading to slower growth. The **current account deficit** will likely hit \$900 billion in 2006. While there has been some improvement in the economies of major

Table 1. **TRENDS IN SELECTED NATIONAL ECONOMIC INDICATORS**

Billions of Constant Dollars Unless Otherwise Indicated

Description	2005	2005	2005	2005	2006	2006
	QI	QII	QIII	IV ^P	I ^P	II ^P
1. Gross Domestic Product (2000\$)	\$10,999	\$11,089	\$11,183	\$11,261	\$11,360	\$11,464
(% change)	3.8	3.3	3.4	2.8	3.5	3.7
2. Consumer Expenditures (2000\$)	\$7,765	\$7,830	\$7,893	\$7,897	\$7,949	\$8,025
(% change)	3.4	3.3	3.2	0.2	2.6	3.8
3. Gross Private Domestic Invest. (2000\$)	\$1,903	\$1,885	\$1,901	\$1,977	\$2,026	\$2,051
(% change)	8.4	-3.8	3.3	16.1	10.0	4.8
4. Government Purchases (2000\$)	\$1,972	\$1,984	\$1,999	\$2,020	\$2,026	\$2,036
(% change)	1.9	2.5	3.1	4.2	1.2	1.8
5. Net Exports of Goods & Services (2000\$)	-\$645	-\$614	-\$615	-\$637	-\$643	-\$647
(% change)	-7.1	19.3	-0.5	-14.3	-3.6	-2.9
6. Establishment Employment	132.8	133.4	133.9	134.2	134.9	135.5
(% change)	1.5	1.9	1.4	1.0	2.0	1.7
7. Index of Industrial Production	118.2	118.7	119.0	118.8	120.8	121.7
(% change)	3.6	1.5	1.3	-0.8	6.7	3.3
8. Light Vehicle Sales, Millions, SAAR	16.5	17.2	17.9	15.8	16.1	16.4
9. Housing Starts, Millions, SAAR	2.1	2.0	2.1	2.1	2.0	1.9
10. Standard & Poors Index						
(% change)	10.3	-3.5	14.4	1.9	6.5	4.9
11. Consumer Sentiment Michigan Index						
(% change)	0.9	-16.4	-12.0	-26.9	17.4	32.3
12. After-Tax Corporate Profits (2000\$)	\$959.5	\$976.1	\$928.1	\$1,064.4	\$1,008.8	\$961.8
(% change)	93.7	6.9	-28.5	68.2	-19.7	-18.6
13. West Texas Intermediate Oil	\$49.90	\$53.10	\$63.20	\$61.50	\$60.80	\$60.10
Average Price per barrel						

P = Preliminary or projected. Percentage change refers to seasonally adjusted average annual rate, based on quarter-to-quarter growth rates.

SAAR - seasonally average annual rate, based on quarter-to-quarter growth rates.

SOURCE: Global Insight, Inc., October and November 2005.

U.S. trading partners, including Japan and several Eurozone countries, a further decline of the dollar will be needed to close the trade gap.

Employment growth has been a strong positive this year (line 6). The number of persons on payrolls grew an estimated 1.6% in 2005, despite the net loss of 35,000 jobs in September due to Hurricane Katrina. Solid

employment growth is also expected in 2006. However, wages and salaries, which had been rising faster than inflation, are now lagging behind due to rising energy costs.

Hurricane Katrina has had a major impact on the job market. The Bureau of Labor Statistics notes that there had been an average monthly gain of 194,000 jobs this year prior to Katrina. Taking this into account, the

total number of jobs lost in September due to Katrina was likely about 230,000. The Boeing strike also meant another 18,000 workers off payrolls. Some of the largest losses in September were in retail trade (down 88,000), and in lodging and food services (down 60,000). On the other hand, there was a gain of 23,000 in construction employment.

Energy Prices

Rising world demand for energy and hurricane damage to drilling rigs and refineries combined to drive up energy prices this year. The impact of Hurricanes Rita and Katrina on production was greater than that of previous hurricanes, such as Ivan. Forty-five days after the storm, two-thirds of Gulf production was still offline, and oil companies were drawing down inventory. **Oil prices** peaked in the third quarter (Q3), and have fallen since. The price of West Texas Intermediate oil averaged \$63.20 per barrel in Q3 (line 13, Table 1), but

as energy production recovers, prices will fall to about \$60.80 by early 2006 and gasoline prices will stabilize.

Natural gas prices are only beginning the winter season's climb. Global Insight projects that consumer energy prices will average 25% higher than a year earlier in Q4 of 2005 and Q1 of 2006, due largely to natural gas prices (expected to be up by 48%). The Energy Information Agency's October report estimates that households heating with natural gas can expect to pay \$350 more than last year, while those using oil can expect to pay an additional \$378. Higher energy costs, for gasoline, oil and natural gas, mean that energy expenditures will absorb about 6% of disposable income, up from 5% a year ago.

Inflation

Core rates of inflation for consumers, excluding energy and food, was only 2.2% in 2005, estimates Global Insight, but an 18%

Table 2. **TRENDS IN FEDERAL RECEIPTS AND EXPENDITURES**
(Billions of Dollars)

	<u>2005 Level</u>	<u>Average Annual Growth Rate 2000 - 2005</u>
Federal Deficit (NIPA) ¹	(\$308)	52.6%
Federal Debt	(\$7,970)	7.8%
Federal Receipts	\$2,238	1.8%
Personal taxes	\$1,214	(0.3%)
Payroll taxes (employer share)	\$414	4.7%
Corporate taxes	\$359	8.2%
All Other	\$251	2.0%
Federal Outlays	\$2,546	7.3%
Military	\$588	11.8%
Social Security	\$514	5.6%
Medicare	\$332	10.2%
Medicaid	\$187	11.3%
Interest payments ²	\$224	(3.0%)
All other	\$701	8.6%

¹NIPA = National Income and Product Accounts Conventions.

²Interest payments were lower in 2005 than in 2000. However, they have been increasing since 2004, rising 8.4% this year with a higher rate of increase forecast for the next two years.

SOURCE: Global Insight, October 2005 estimates.

Table 3. **U.S. ECONOMIC FORECAST 2005-2008**
(Percent Change)

	2005	2006	2007	2008
Gross Domestic Product (Percent Change)	6.3	5.9	5.2	5.7
Real Gross Domestic Product (Percent Change)	3.5	3.3	3.2	3.4
Price Level (Percent Change)	2.7	2.5	1.9	2.1
Real Private Domestic Investment (Percent Change)	5.9	6.4	1.4	3.9
Total Establishment Employment (Percent Change)	1.6	1.5	1.3	1.2
Manufacturing	-0.3	-1.1	-0.9	-0.5
Business and Professional Services	3.1	3.7	3.4	4.1
Health and Social Services	2.2	2.7	1.9	1.7
Construction	3.8	2.2	0.7	1.6
Trade	1.0	1.4	1.4	0.7
Finance, Insurance, Real Estate	2.0	-0.3	0.4	0.9
Transportation, Utilities	2.4	2.6	1.7	2.5
Government	0.8	1.2	0.8	0.4
Unemployment Rate	5.1	4.9	4.9	4.8
Personal Income (Percent Change)	5.8	6.5	5.8	5.9
Consumer Price Level (Percent Change)	3.5	2.7	1.4	1.8
Prime Rate (Percent)	6.2	7.5	7.6	7.8

SOURCE: Global Insight, October 2005.

jump in energy prices over the course of the year drove the overall increase in the **consumer price index** (CPI) to 3.5%. The momentum from this year will carry over into 2006, resulting in a 2.7% increase in the CPI next year.

The Federal Reserve's Open Market Committee has been steadily hiking the **federal funds rate**, which is forecast to reach 4.5% by the end of January. In 2006, the Fed is expected to maintain the funds rate at or near this level, although by 2007 there may be pressures to increase rates further. Treasury bond rates are projected to rise gradually from 4.8% at the end of 2005 to 5.2% by the close of 2006.

Alan Greenspan, chair of the Federal Reserve Board, will be stepping down from his position in January, and **Ben Bernanke**, currently chair of the President's Council of Economic Advisors and a former professor at Princeton University, has been nominated by President Bush to succeed him. The nomina-

tion has generally met with approval, and Bernanke has pledged to carry on the policies followed by Greenspan.

Federal Deficit Forces Choices

As Table 2 shows, federal outlays are outpacing federal receipts by large margins. Federal outlays (excluding gross investments) are currently \$2.5 trillion, and have been increasing at an average annual rate of 7.3% for the past five years; federal receipts, on the other hand, are at \$2.2 trillion, and rising at a rate of only 1.8%. As a result, the **federal debt** is at \$8 trillion, or 64% of GDP - a level also reached in the mid-1990s, but higher than the levels of the 1970s and 1980s. Interest payments, which fell from 1998 to 2003, are again rising and now account for 9% of federal outlays.

Global Insight and other forecasters predict some increases in effective tax rates to help close the funding gaps that are projected. But modest tax increases will not be sufficient

to control the **federal deficit** in the future unless there are also cuts that reduce the real funding levels of military and/or nonmilitary government programs. Rapidly rising health care costs and the growing percentage of the population that is over 65 years of age mean that the portion of the budget absorbed by the Social Security, Medicare and Medicaid programs will be greater in the future. Cutbacks in these programs, or in other major spending areas such as military spending, would be strongly resisted. Tough decisions lie ahead.

Economic Forecast 2006-2008

The U.S. economy will continue to grow at a moderate pace over the coming three years, as the forecast presented in Table 3 summarizes. Although business investment will slow in 2007 from the strong showing expected in 2006, consumers will likely perk up after reducing their debt levels next year. Exports, as well, are likely to improve by 2007 as the lower value of the dollar makes U.S. goods more attractive. Inflation returns to lower levels after peaking in 2005.

Real GDP increases 3.3% in 2006, 3.2% in 2007 and 3.4% in 2008. The growth rate of payroll employment gradually slows from its estimated 1.6% rate in 2005 to 1.2% in 2008. The most rapid growth of employment is in

business and professional services (which includes temporary workers), but health & social services and transportation & utilities also show strong rates of increase. The **unemployment rate** gradually falls, hitting 4.8% in 2008.

The slower growth rates of GDP are linked to the slowdown in investment and rising interest rates. The growth of **real private domestic investment** drops to about 1.4% in 2007, from 6.4% in 2006. The increase in the prime rate of interest, which will be approaching 7.8% by 2008, will impact spending at all levels, making long-term purchases more costly. The higher interest rates will also keep inflation down below 2%, according to Global Insight predictions. Tables 8 and 9 in the Appendix provide more detail.

The **major risk to the forecast** presented here comes from the potential for higher energy costs to slow consumer spending and further increase prices and interest rates. Such developments could also lead to a drop in confidence in the dollar, adversely affecting foreign investment.

Alternative Scenarios

Under the optimistic scenario published by Global Insight, the growth rate of real GDP in 2006 is 4.1%, 4.0% in 2007, and 4.0%

Table 4. **ALTERNATIVE SCENARIOS AND PROBABILITIES IN NATIONAL ECONOMIC FORECAST**

	Rate of Growth of Real GDP			Probability
	2006	2007	2008	
Baseline	3.3	3.2	3.4	55%
Pessimistic	2.4	1.6	2.7	25%
Optimistic	4.1	4.0	4.0	20%

SOURCE: Global Insight, October 2005.

in 2008, while under the pessimistic scenario, real GDP growth drops to 2.4% in 2006, 1.6% in 2007, and 2.7% in 2008.

Key variables affecting the forecast include energy prices, productivity growth, business investment and housing starts, the federal deficit and the growth rate of the world economy. Global Insight assigns its **baseline scenario** a 55% probability. Under this scenario, the increase in GDP in 2006 is forecast to be 3.3%, falling slightly to 3.2% in 2007 but rising to 3.4% in 2008.

With a 20% probability, the U.S. economic performance could be stronger than this. See Table 4. Lower oil prices, as domestic capacity expands and foreign production strengthens, would lower inflation and encourage greater spending. A growth rate of productivity that moves back to the 3.0% range, or a growth in demand for U.S. exports that approaches 10% could push the increase in GDP above the baseline forecast. Strong job growth would also have this effect.

Under the **optimistic alternative**, lower oil prices provide a welcome increase in purchasing power for both consumers and businesses. Non-energy demand increases, and higher productivity than expected means that this added demand results in higher profits and higher wages than forecast. The rate of inflation slows below the level forecast, moderating the expected increase in interest rates. These developments spread increased levels of demand to all sectors of the economy. Increased levels of exports boost manufacturing production, which further stimulates the economy.

On the other hand, if oil prices continue to move up over the next two years, pushing inflation higher than predicted, conditions are set for the pessimistic, **stagflation scenario** (25% probability). In this scenario, rising en-

ergy prices causes interest rates to climb even further. Consumers rein in their spending, which in turn reduces investment spending. Slower job growth also reduces consumer spending.

In this scenario, though, the fundamentals of the economy remain solid and government policymakers respond appropriately, keeping the value of the dollar low enough to boost U.S. exports and managing inflation.

Written by Marianne Hill, with input from members of the Center of Policy Research and Planning.

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MISSISSIPPI ECONOMIC OUTLOOK: RECONSTRUCTION BOOM TO PROPEL ECONOMY

Hurricane Katrina's devastating hit August 29th brought a sharp drop in economic activity, and destroyed a significant portion of the Coast's capital stock. However, it will also generate unprecedented construction activity on the Coast as billions of dollars worth of housing, commercial property and infrastructure are replaced and repaired.

Once rebuilding is fully underway in 2006, the construction boom will spark the highest growth rate of output and employment that the state has seen in years. There will be more persons employed in the state over the coming years than there would have been if Hurricane Katrina had not occurred.

Federal funds and insurance payments, in addition to state funds and private assistance, will finance the rebuilding and recovery effort, which is expected to exceed \$20 billion. Insured losses alone have been estimated at \$9.9 billion by Property Claim Services. Uninsured losses, which include public as well as private losses, are of a similar order of magnitude. Extensive infrastructure repair and replacement are required on the Coast by all levels of government.

State general fund revenues through October were up 6.3% over last year, which is slightly over the estimate used in setting the FY2006 budget. State fiscal pressures, which had been easing, have returned as a result of expenditures made necessary by the hurricane. Local governments on the Coast, hurt by loss of property tax revenue, are severely affected.

Employment in 2005 had been growing at an annual rate of 1.2% pre-Katrina, but little or no growth is now expected for the year as a whole. However, the positive momentum in the economy pre-Katrina will add to the reconstruction boom. The increased economic base provided by the inflow of persons from the New Orleans area will also boost employment and output in coming years.

Consumer confidence in the state, which was up in April, dropped sharply in the wake of Katrina. Business confidence, however, showed little change.

Employment, output and income in the state dropped sharply in September after **Hurricane Katrina** slammed the Mississippi Coast August 29th. Normal activity ground to a halt, as search and rescue, relief and clean-up operations dominated. The three coastal counties, which account for 14% of total state employment, were hit hardest by the storm, but property damage was severe as far north as Jackson and Meridian, and most of the state was without electricity in the storm's immediate aftermath.

Over 20% of the customers of Mississippi Power in the three coastal counties were unable to accept power after electricity had been restored, and it is likely that a similar

percentage of housing units in that area were destroyed.¹ **Businesses were hit hard** as well: most casinos were destroyed, as were most small businesses hit by the storm surge, which was over 30 feet high in some areas. Many larger businesses suffered staggering losses: Northrop Grumann, for example, reported damage of over \$1 billion to its two shipyards on the Gulf Coast, with the damage concentrated at its Pascagoula location. In the agricultural sector, poultry and timber were two of several industries that were hard-hit.

The only official estimate available of the property damage caused by Katrina as of November 14 is that of Property Claim

Services (PCS) of the ISO, Inc., the leading risk assessor for the insurance industry. The preliminary estimate of the PCS is that insured losses in Mississippi will be about **\$9.9 billion**, a figure that includes claims not only for buildings but also for business interruption, boats, autos and other property. Uninsured losses, which include much of government-owned property as well as private property that was uninsured or underinsured, are doubtless of a similar magnitude: underinsuring is common in the private sector, and government property is typically either self-insured or underinsured. Government property, from interstate highways and bridges, through universities and schools to public housing and water systems, has been severely damaged. Documents, research and artwork, both public and private, have been destroyed.

The State Department of Education estimates \$1.2 billion in damages to **the K-12 school system**. State Institutions of Higher

Learning estimates hurricane damage to public and private colleges and universities at almost \$700 million. Federal housing officials estimate the damage to public housing complexes in the three coastal counties at \$155 million.

Recovery Underway

As 2005 draws to a close, recovery efforts are focused on debris removal and clean-up, provision of assistance and services to Coast residents, resolution of insurance claims, and reconstruction planning. Within a few months, reconstruction efforts will be able to move ahead at full steam. Already most homeowners and businesses are back in the area, settling insurance claims, repairing damage and restarting operations.

Plans to rebuild the Coast are being made at many levels. A special session of the Legislature passed bills to speed reconstruction efforts, including a bill that will permit casinos to locate up to 800 feet inland.

Table 1. **ESTIMATED EMPLOYMENT LOSS GULFPORT-BILOXI AND PASCAGOULA MSA'S**
(Thousands)

Includes George, Hancock, Harrison, Jackson & Stone Counties

	Preliminary	Revised	Revised	Monthly Change	
	Sep-05	Aug-05	Sep-04	Net	Pct
Total Nonfarm Employment	131.8	171.2	168.3	-39.4	-23.0%
Natural Resources & Construction	7.9	8.0	7.3	-0.1	-1.3%
Manufacturing	14.3	23.0	22.2	-8.7	-37.8%
Trade, Transportation & Utilities	20.3	29.1	28.6	-8.8	-30.2%
Retail Trade	15.7	21.0	20.1	-5.3	-25.2%
Leisure & Hospitality (Gulfport-Biloxi only)	13.8	29.4	29.9	-15.6	-53.1%
Arts, Entertainment, Recreation	1.1	4.0	4.3	-2.9	-72.5%
Accommodation & Food Services	12.7	25.4	25.6	-12.7	-50.0%
Accommodation	5.7	15.3	15.0	-9.6	-62.7%
Food Services & Drinking	7.0	10.1	10.6	-3.1	-30.7%
Government	33.6	34.3	35.6	-0.7	-2.0%
Federal	8.7	8.7	8.8	0.0	0.0%
State	2.3	2.1	3.0	0.2	9.5%
Local	22.6	23.5	23.8	-0.9	-3.8%
Local Education	10.9	10.9	11.3	0.0	0.0%

SOURCE: Mississippi Department of Employment Security, Labor Market Information Department, in cooperation with U.S. Department of Labor, Bureau of Labor Statistics.

The **Governor's Commission on Recovery, Rebuilding and Renewal** is coordinating a series of town hall and other meetings to discuss and envision possibilities for the future of the Coast (see accompanying article). Cooperation among the various government agencies, levels of government, businesses and communities is required at an unprecedented level.²

The **recovery on the Coast** is steadily moving forward. Most businesses in the coastal counties were back in operation by October, if not running at full capacity – with the exception of casinos and other businesses on the water's edge. Most students in the hurricane - devastated region are back in classes, although there was some loss of enrollment: 70% of students in the Biloxi school district were back in class by early November, and the number of students attending continues to increase as families return.

Aid Flows In

Federal funds and insurance payments, in addition to private and local government spending, are financing the recovery, which is expected to cost over \$20 billion. As of early November, the White House has requested additional **Federal funds** of \$18 billion for the state, and there are several other proposals before Congress that would provide additional money, including proposals to exempt the state from meeting matching fund requirements for Medicaid and other programs for additional periods of time. Inflows from private insurance companies will be about \$10 billion and private contributions for relief efforts in Mississippi are topping \$1 billion.

The total value of **FEMA contracts** awarded as of mid-October was approximately \$3 billion. Among these were ten FEMA contracts in excess of \$170 million, which all went to out-of-state firms. About \$48.9 million has gone directly to Mississippi businesses for tasks such as debris removal, installing temporary roofing, and installing mobile homes (*Clarion-Ledger* 10/24/05 p. 2A). Subcontractors on the ground, are often

Mississippi firms, although FEMA does not require hiring local subcontractors or workers.³ There has been some dissatisfaction with the flow of funds to Mississippi firms and workers. See accompanying article.

Post-Katrina Employment Figures

Employment figures show a 4.9% drop in **payroll employment** in Mississippi between August and September.⁴ The figures for the Coast, of course, are more stark: employment in the Gulfport-Biloxi Metropolitan Statistical Area (MSA) dived 26.5% in September, and in the Pascagoula MSA 16%. The two MSAs lost 39,400 jobs, representing 70% of the 56,000 jobs lost statewide. See Table 1.

Overall, over 20% of jobs lost, both statewide and on the Coast, were in manufacturing jobs, although only 16% of employment is in manufacturing. The disproportionate loss of manufacturing may be a statistical artifact - it may well be the case that reporting by manufacturing firms is better than that by other industries. Some of the **major manufacturing firms on the Coast** include: Northrop Grumman, Chevron Products, DuPont de Nemours, Signal International, Triton Systems and Oreck Manufacturing. The losses of manufacturing jobs statewide were greatest in machinery manufacturing (1,300), ship & boat building (4,700), and chemical manufacturing (900) – no breakdown by industry is available at the local level due to confidentiality requirements. However, the cities of Gulfport-Biloxi and Pascagoula lost 8,700 manufacturing jobs, accounting for most of the statewide drop of 11,600 jobs. It is expected that employment numbers for October and November will show that most of these jobs have returned.

Over 15,600 jobs in **leisure and hospitality** were lost in Gulfport-Biloxi, accounting for most of the 18,400 jobs lost statewide. The net loss in amusement/gambling/recreation statewide was (3,500), in accommodation (9,300), and in food services & drinking (5,499). The drop of 1,300 in real estate & rental is not surprising, and the loss of 4,100 in administrative support and waste management can be linked to the loss of

Table 2. **MISSISSIPPI EMPLOYMENT BY SECTOR**

RESIDENCE BASED DATA¹	Jan-Aug 2005	Jan-Aug 2004	Percent Change
Civilian Labor Force	1,345,850	1,326,300	1.5%
Unemployed	95,800	79,990	19.8%
Percent of Labor Force	7.1	6.0	xxxx
ESTABLISHMENT BASED DATA¹			
Total Nonfarm Employment	1,133,750	1,120,640	1.2%
Goods Producing Industries	237,540	237,010	0.2%
Natural Resources & Mining	8,710	8,790	(0.9%)
Construction	49,600	48,800	1.6%
Total Manufacturing	179,230	179,430	(0.1%)
Durable Goods Manufacturing	116,640	116,160	0.4%
Wood Product Manufacturing	13,030	13,030	0.0%
Fabricated Metal Products	11,040	11,130	(0.8%)
Machinery Manufacturing	11,880	12,090	(1.7%)
Transportation Equipment	30,000	28,160	6.5%
Motor Vehicle Parts	7,410	7,390	0.3%
Ship and Boat Building	15,030	14,260	5.4%
Furniture and Related	26,880	27,960	(3.9%)
Nondurable Goods Manufacturing	62,590	63,260	(1.1%)
Food Manufacturing	27,130	26,660	1.8%
Animal Slaughtering	19,640	19,160	2.5%
Paper Manufacturing	5,400	5,710	(5.4%)
Chemical Manufacturing	6,930	7,000	(1.0%)
Plastics and Rubber	9,090	9,230	(1.5%)
Service Providing Industries	896,210	883,630	1.4%
Trade, Transportation	221,460	219,200	1.0%
Wholesale Trade	35,110	34,890	0.6%
Retail Trade	138,750	138,030	0.5%
Transportation, Warehousing	47,600	46,290	2.8%
Utilities	7,910	7,960	(0.6%)
Information	14,450	14,660	(1.4%)
Telecommunications	7,140	7,610	(6.2%)
Financial Activities	46,480	45,900	1.3%
Finance and Insurance	34,040	34,000	0.1%
Real Estate, Rental and Leasing	12,440	11,900	4.5%
Professional and Business Services	85,150	81,990	3.9%
Professional, Scientific, Technical Services	30,580	29,790	2.7%
Administrative and Support	44,450	42,300	5.1%
Educational and Health Services	121,200	118,030	2.7%
Educational Services	15,880	15,380	3.3%
Health Care and Social Assistance	105,330	102,650	2.6%
Hospitals	29,180	28,990	0.7%
Nursing and Residential	21,230	20,890	1.6%
Leisure and Hospitality	126,140	125,060	0.9%

Table 2. **MISSISSIPPI EMPLOYMENT BY SECTOR** (continued)

	Jan-Aug 2005	Jan-Aug 2004	Percent Change
Arts, Entertainment, and Recreation	12,330	13,360	(7.7%)
Amusement, Gambling	11,600	12,390	(6.4%)
Accommodations	113,810	111,700	1.9%
Food Services	76,810	74,640	2.9%
Other Services	37,530	37,790	(0.7%)
Total Government	243,810	241,000	1.2%
Federal Government	25,280	25,400	(0.5%)
State Government	61,140	61,010	0.2%
State Education	20,930	20,730	1.0%
Local Government	157,400	154,590	1.8%
Local Education	84,200	82,140	2.5%

SOURCE: Mississippi Employment Security Commission, August 2005. Preliminary figures.

¹Residence employment estimates are based on household surveys, whereas establishment data are based on jobs reported at places of work. A person with two jobs will generally be counted twice by establishment data, but not by the household data. A person residing in Mississippi but employed outside of the state will be included in residence-based data, but not in establishment data. The self-employed are also better captured by residence-based data.

temporary jobs and jobs in waste disposal, which tend to be less stable, lower-wage and lower-benefit jobs. Repair & maintenance jobs (1,300) are also vulnerable when the occupants of buildings are no longer there. Motor vehicle parts, animal slaughtering, electric power generation and hospitals were among the **few industries adding jobs** in September. Complete numbers on September employment can be found in Table 1A, at the end of this article.

Economic Trends in 2005

Before the storm hit, Mississippi's economy was enjoying an upswing: employment through August was up 1.2% compared to the first eight months of the previous year, and retail sales were running 4.8% ahead of year-ago figures. State general fund collections for FY2005, which ended June 30, were up 7.3% over FY2004. The number of building permits issued was higher than in 2004, despite rising interest rates. Personal income in the second quarter had risen at an annualized rate of 6.8%, the 13th highest rate in the nation. Consumer confidence was up.

Table 2 provides a breakdown of growth in payroll employment through August. There were net **increases of 2,500 or more jobs** in each of three industry groups: business and professional services, health care and social assistance, and local government. (The increase in local government employment was largely due to an increase of 2.5% in jobs in local education.) Also, transportation equipment added over 1,800 manufacturing jobs, with almost 800 of those jobs in shipbuilding. However, high gasoline prices, slowed the growth of leisure and hospitality employment, which rose only 0.9% during the first eight months of 2005 in comparison to the same period in 2004. The fiscal squeeze hitting the state budget was still affecting the state employment, which grew only 0.2% in comparison to 2004.

Figure 1 shows trends through September in several **key economic indicators**. Figure 1a shows employment comfortably above 2004 levels until September, when the number of persons employed plunged. Manufacturing employment suffered an even steeper drop

Figure 1a. Nonagricultural Employment

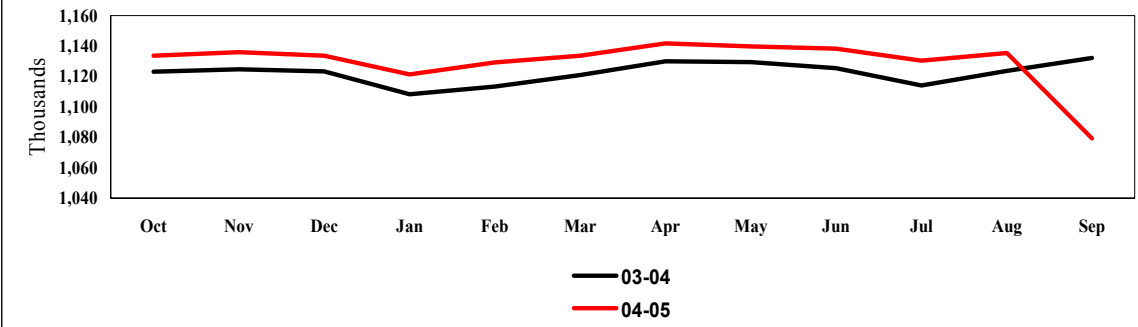


Figure 1b. Manufacturing Employment

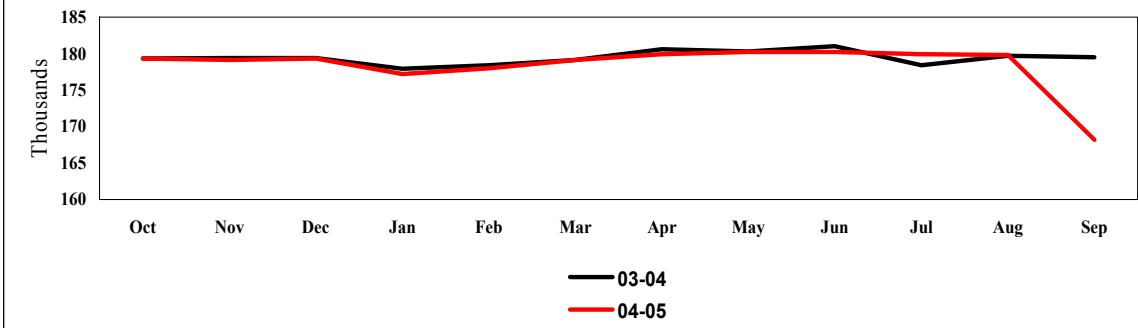


Figure 1c. Value of Building Permits

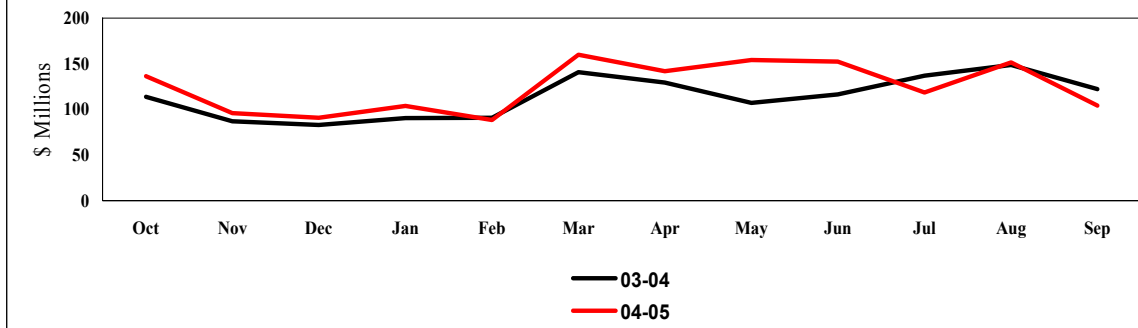


Figure 1d. General Fund Revenues

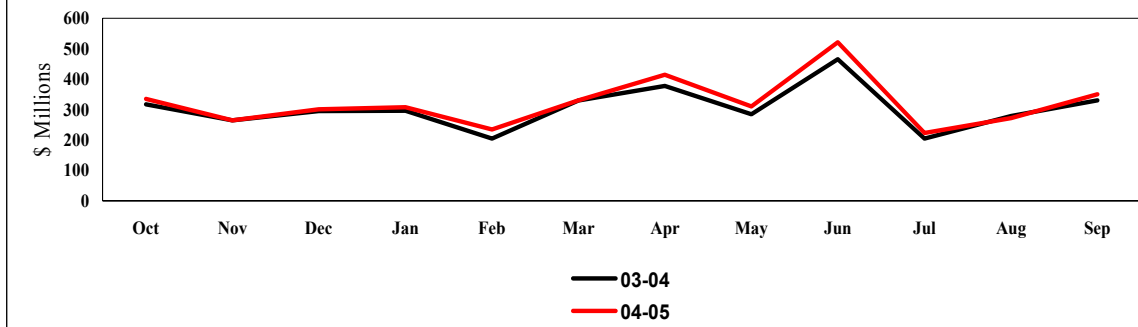


Figure 1e. Personal Income Tax Revenues

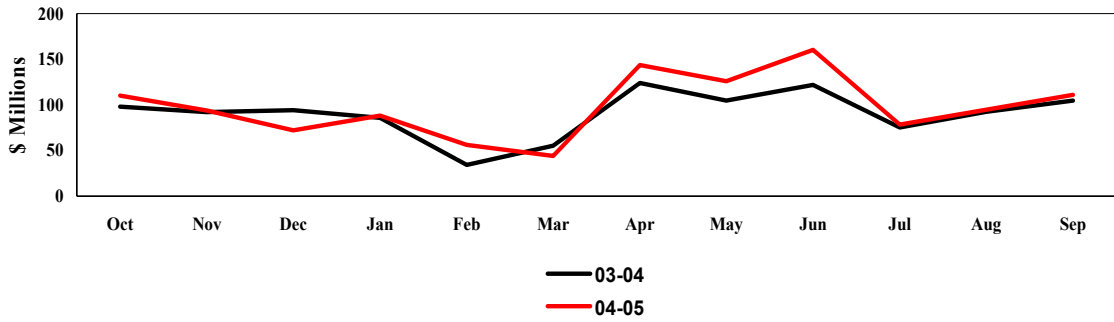


Figure 1f. Retail Sales

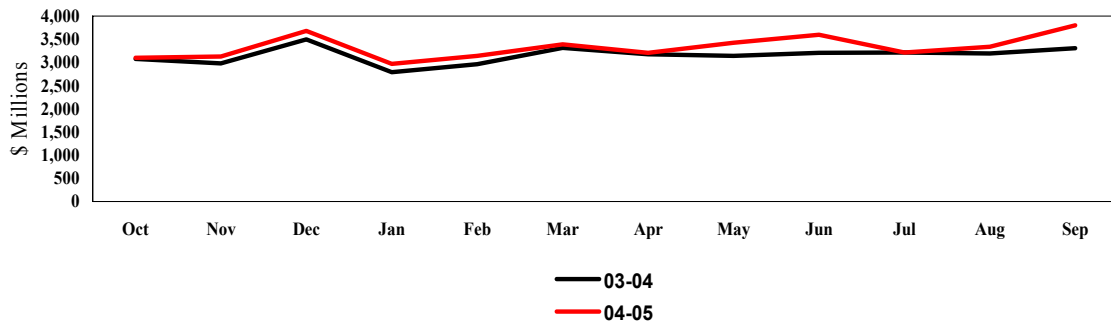


Figure 1g. Gaming Revenue -- Coast

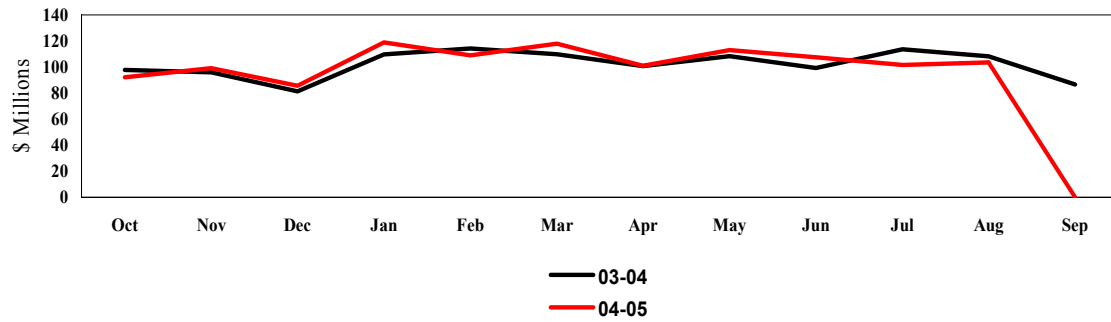
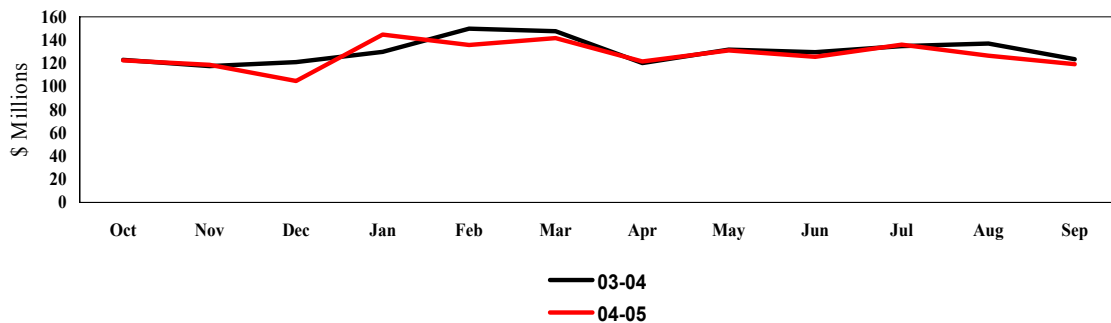


Figure 1h. Gaming Revenue -- River



(Figure 1b). Building permits were not hit as hard (Figure 1c). Despite the shock from Katrina, total general fund collections in September and (not shown) in October averaged 8.9% higher than in 2004. State revenue collections then remained on track, not only overall, but also specifically the sales tax and individual income tax collections (Figures 1d and 1e). Retail sales were up (Figure 1f). Gaming revenue on the Coast dropped to zero (Figure 1g), although river gaming was not much affected (Figure 1h).

Consumer confidence in the state, which was up in April, dropped sharply in the wake of Katrina. Business confidence, however, showed little change.

Alternative Forecast Scenarios

Figure 2 shows an optimistic scenario, a pessimistic scenario and the pre-Katrina forecast for the output of goods and services in Mississippi. In the **optimistic forecast**, the gross state product (GSP) is greater in 2005 than in 2004, despite the downturn in the coastal counties during the last four months of the year. Under this scenario, most businesses in these counties are back in pro-

duction before the end of the year, even if not at full capacity. Work related to debris removal, relief, damage assessment, rebuilding and repair add significantly to the state's output. The influx of evacuees from Louisiana pushes up retail sales and the demand for housing and other services in much of the state. The net effect overall is that there is some increase in output in 2005, although less than would have occurred if Hurricane Katrina had not struck.

Under the **pessimistic alternative**, delays in reconstruction and rebuilding due to the prolonged period required for debris removal and repairs, as well as the capacity constraints on organizations providing loans, insurance reimbursement and other services, means that there is some drop in output in 2005. Even under the pessimistic scenario, though, total output of good and services in 2007 is greater than it would have been if Hurricane Katrina had not hit.

By 2010, the rebuilding ends, and, under the pessimistic scenario, the slow restoration and rebuilding process means that the state's **capital stock** is lower than it would have been if Hurricane Katrina had not occurred.

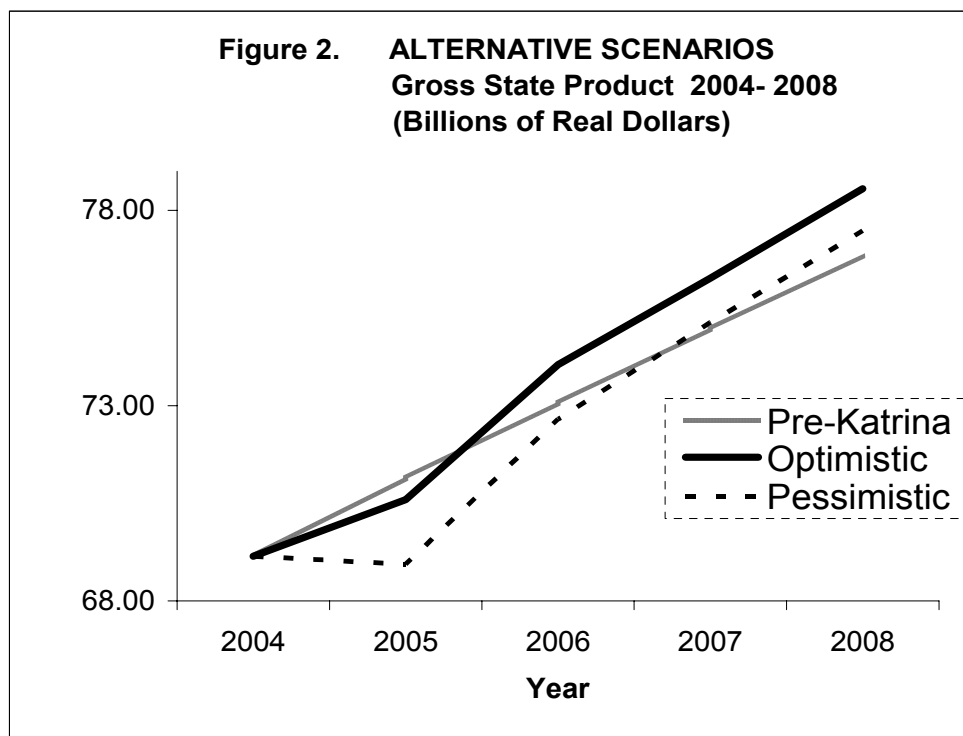


Table 3. **ECONOMIC FORECAST FOR 2006-2008**

	2006	2007	2008
Mississippi			
Gross State Product (Percent Change)	6.5	5.1	4.3
Real Gross State Product (Percent Change)	4.1	3.1	2.1
Price Level (Percent Change)	2.3	1.9	2.2
Establishment Employment (Percent Change)	2.3	1.8	0.7
Unemployment Rate	7.9	6.6	5.9
Personal Income (Percent Change)	7.3	5.0	5.1
Consumer Price Level-South (Percent Change)	2.8	2.0	1.6
United States			
Gross State Product (Percent Change)	5.9	5.2	5.7
Real Gross State Product (Percent Change)	3.3	3.2	3.4
Price Level (Percent Change)	2.5	1.9	2.1
Establishment Employment (Percent Change)	1.5	1.3	1.2
Unemployment Rate	4.9	4.9	4.8
Personal Income (Percent Change)	6.5	5.8	5.9
Consumer Price Level-South (Percent Change)	2.8	2.0	1.6

SOURCE: Center for Policy Research and Planning, Mississippi Institutions of Higher Learning, November 2005. Global Insight, October 2005.

This has a negative impact on the state's productive capacity, and as a result, total output in 2010 is lower than in the pre-Katrina forecast. Under the optimistic scenario, output in 2010 is higher since business has replaced lost capital with more efficient facilities and equipment and well-thought-out plans have made the Coast more attractive for both residents and tourists. The revitalized coastal economy positively impacts the entire state.

The **baseline forecast** presented below is close to the optimistic alternative in 2006 and 2007, but then veers back towards the pre-Katrina forecast. In 2010, output per capita is lower than in the pre-Katrina forecast. It is assumed that the prolonged nature of the recovery has caused some setback in capital accumulation, which has slowed productivity growth in the state. Total real output would also be lower except that population, and employment, has increased with the influx of families from Louisiana.

It should be noted that a rapid growth of output and employment on the Coast over the next two to three years does not mean that

the incomes of coastal residents will be higher than they were pre-Katrina. After all, much of the construction and rebuilding will be done through out-of-state businesses, and many jobs will go to workers from out of state. Nor does the expected boom mean that the wealth lost when property was destroyed will be restored to its owners. However, the massive inflow of aid and the billions spent on rebuilding will bring **increased income and wealth** for many and property values may well rise. The distribution of these gains, and whether or not poverty rates on the Coast are likely to increase, are briefly discussed in an accompanying article.

Short-Term Outlook

The setback from Hurricane Katrina will be only temporary. Once rebuilding is fully underway in 2006, employment and output will jump, financed by the inflow of billions of dollars. The construction boom will spark the **highest growth rate of output and employment** that the state has seen in years. The state forecast predicts a 4.1% increase in real gross state product, the most rapid rise

since the casino boom of 1994. Employment growth of 2.3% will be led by a 15% increase in construction employment, with related industries also thriving. The rate of growth of personal income, which was hurt by net uninsured losses due to the hurricane estimated at over \$3 billion, will recover from the modest growth rate of about 3.2% in 2005 to a rate of 7.3% in 2006.⁵ Table 3 provides more specifics, and **the complete forecast** along with historical tables can be found in the Appendix at the back of this *Review*. Two new tables on historic trends in wage are included in this issue.

Resurgence of an economy after a disaster is not uncommon. For example, Dade County recovered astonishingly rapidly – **Hurricane Andrew** hit August 24, and by the fourth quarter, total retail sales had jumped dramatically, construction employment skyrocketed, and the following year employment was 3.4% higher and retail sales 11% higher than the previous year.⁶ More detail is provided in footnote 6 at the end of the article.

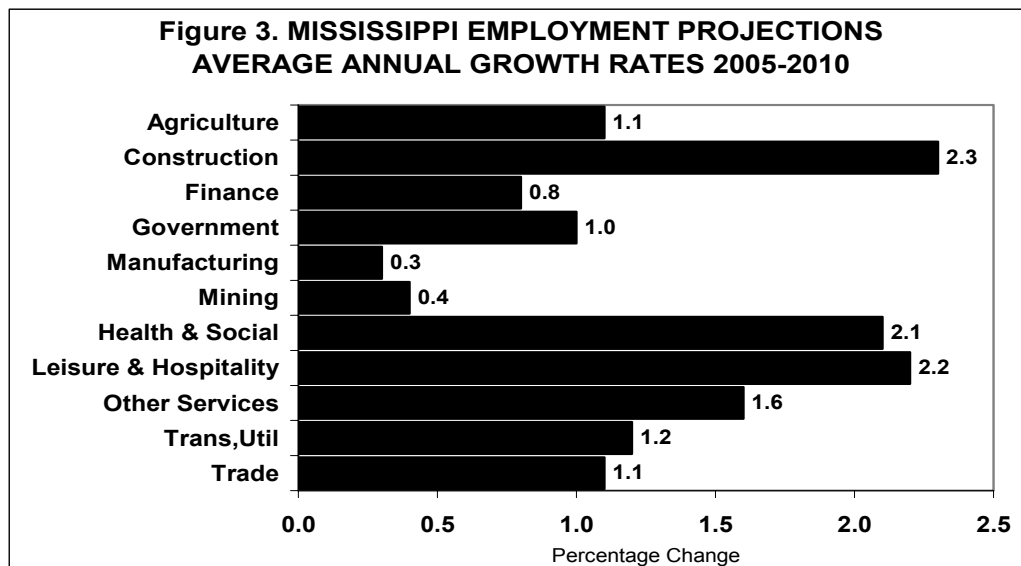
Five-Year Employment Forecast

Over the coming five years, **real GSP** will grow at an average annual rate of 3.0% and **employment** will grow at an average rate of 1.3%. Although these growth rates are consi-

derably higher than forecast in the last issue of the *Review*, most of the increase is due to the fact that the starting points are lower because of this year's disruption. The influx of population from the New Orleans area and elsewhere due to the hurricane and reconstruction also adds an estimated 12,400 persons to employment levels in 2010 in the forecast. For comparison, the growth rate of gross domestic product (GDP) for the U.S. as a whole averages 3.4% over the same period, and U.S. payroll employment increases at an average annual rate of 1.2%.

Output per worker in the state in 2010 is slightly lower than in the June forecast, at \$63,600 versus the earlier figure of \$63,900, due to the loss of capital in 2005 and the time required to regain and exceed previous capital levels. As a result, real GSP in the state in 2010 will be only slightly higher than in the June forecast.

Figure 3 provides more **detail on the increase in employment** over the 2005-2010 period. The most rapid rate of increase will be in construction employment, which will increase at an average annual rate of 2.3%. Employment in leisure and hospitality will grow at a similar pace as casinos on the Coast come back into operation. The Coast accounts for about 30% of tourism in Mississippi, and it is expected that it will be at



SOURCE: Center for Policy Research and Planning, November, 2005.

least two years before tourists return in earlier numbers. (The drop in employment in this industry in 2005 was mitigated by the fact that several casinos kept employees on their payroll in the immediate aftermath of the storm.) Retail and wholesale trade employment, benefiting from reconstruction, grows 1.1% annually versus a projected 0.6% in June. Health and social assistance continues to increase at a strong 2.1% rate, and most other sectors reflect some bounce-back after this year's slowdown. Only three sectors, manufacturing, mining and finance are forecast to have growth rates of employment under 1.0%.

Written by Marianne Hill, with input from members of the Center for Policy Research and Planning. The author also wishes to thank David Lentze of the Bureau of Economic Analysis of the U.S. Department of Commerce for his very generous assistance with information on the effects of Hurricane Andrew in Florida and with the economic methodology followed in estimating the income effects of disasters. Frank Williams in the Office of Economic and Demographic Research of the Florida Legislature provided detailed data on retail sales in Florida and other useful information from his state.

Notes

1. Mississippi Power, a major power company serving the Coast, reported in early October that 22% of its 89,318 coastal customers were unable to accept electricity after it had been restored. If it is assumed that 22% of the 152,400 housing units in the three coastal counties were destroyed, the estimated loss in those counties would be over 33,000 units. Early estimates by the Red Cross were that 68,000 housing units were destroyed. By comparison, the number of housing units destroyed by Hurricane Andrew in Florida in 1992 was 28,153, and an additional 52,543 suffered major damage (equal to 35% or more of replacement cost). Andrew had been the costliest hurricane ever prior to Hurricane Katrina.

2. "MDOT: Add Coast Bridge to tales of waste", *Clarion-Ledger* editorial 11/9/05.

3. Several employment-related laws have been suspended for firms receiving FEMA

contracts. There have been complaints that even those firms that succeed in landing a subcontractor may experience delays lasting weeks before being given any work to do (*Clarion-Ledger* 11/13/05 p. 1A). Many immigrants are working for contractors on the Coast, and several advocacy groups are reporting employment-related problems. Pritchard, Justin. "Immigrants often unpaid for Katrina work", Associated Press, 11/5/05.

4. These figures do not reflect the total number of persons not working: a person was counted as employed as long as he or she was receiving a paycheck, whether or not he or she was actually at work. In addition, employment figures rely on a monthly labor survey. The sample used typically does not capture sudden, large shifts in employment patterns. In this case, out-of-state firms in debris removal, damage assessment and other areas are likely to have been undercounted. Response rates also were lower than usual.

It is surprising that no increase in employment in the Jackson area is seen in the September figures, although the unemployment rate did fall. Tens of thousands of persons from the Mississippi and Louisiana Coasts relocated to the north, many staying in the Jackson area. Hotels had no vacancies, grocery stores doubled their orders, and auto dealerships sold hundreds of new and used automobiles to evacuees. Yet no increase in employment is seen in September's numbers.

5. In the case of major disasters, the net uninsured loss of housing by homeowners has a negative impact on property income. In the state forecast, it is assured that most of this loss will be offset by increased transfer payments. See Lentze 2005 for specifics on methodology.

6. Some data for Miami-Dade County after Hurricane Andrew struck August 24, 1992 follow (recall that the national recession of 1991 was just ending): total employment 1.1 million persons, growth rate of employment in 1992 was -0.5%; in 1993, 3.4% and in 1994, 1.5%. Growth rate of retail sales, which was

negative in 1991, was 9.8% in 1992; 10.7% in 1993 and -2.4% in 1994. The number of housing units destroyed was 28,153, including 9,042 mobile homes. Total property damage inflicted by Hurricane Andrew was an estimated \$23 billion in 2005 dollars, of which \$8.5 billion was to residential structures. About 98% of homeowners, excluding mobile homeowners, carry insurance, but typically not for the full amount of the replacement cost. It should also be noted that 100,000 persons who left Dade County as a result of Andrew never returned.

Dividends, interest and rent in Florida fell by about \$14 billion in the third quarter of 1992, due in large part to net uninsured losses, but transfer payments were up by about \$15 billion in the same quarter – in part because net insurance settlements are recorded on an accrual, not cash, basis. That is, these settlements are recorded in the same period as the disaster, even if actual cash settlements occurred many months later.

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Appendix

Table 1A. MISSISSIPPI NONFARM EMPLOYMENT SEPTEMBER

	Preliminary Sep-05	Revised Aug-05	Revised Sep-04	Monthly Change	
				Net	Pct
Total Nonfarm Employment	1,079,300	1,135,300	1,132,100	-56,000	-4.9
Natural Resources & Mining	8,400	9,100	8,900	-700	-7.7
Construction	50,200	51,200	50,500	-1,000	-2.0
Manufacturing	168,200	179,800	179,500	-11,600	-6.5
Durable Goods	107,300	116,600	116,700	-9,300	-8.0
Machinery Manufacturing	10,400	11,700	11,800	-1,300	-11.1
Ship & Boat Building	10,500	15,200	14,600	-4,700	-30.9
Nondurable Goods	60,900	63,200	62,800	-2,300	-3.6
Chemical Manufacturing	6,200	7,100	7,000	-900	-12.7
Trade, Transportation & Utilities	208,800	221,500	219,900	-12,700	-5.7
Wholesale Trade	33,000	35,400	35,000	-2,400	-6.8
Retail Trade	130,500	138,400	138,000	-7,900	-5.7
Grocery Stores	14,500	17,500	17,200	-3,000	-17.1
Transportation, Warehouse, Utilities	45,300	47,700	46,900	-2,400	-5.0
Information	14,200	14,300	14,300	-100	-0.7
Financial Activities	45,100	46,600	46,100	-1,500	-3.2
Professional & Business Services	80,400	86,300	83,300	-5,900	-6.8
Admin. Support & Waste Mgmt.	40,800	44,900	43,800	-4,100	-9.1
Educational & Health Services	119,900	120,600	120,500	-700	-0.6
Leisure & Hospitality	108,600	127,000	127,200	-18,400	-14.5
Amusements, Gambling, Recreation	8,000	11,500	12,400	-3,500	-30.4
Accommodation	28,700	38,000	37,200	-9,300	-24.5
Food Services & Drinking	71,300	76,700	76,600	-5,400	-7.0
Other Services (Private)	32,600	37,300	37,500	-4,700	-12.6
Repair & Maintenance	8,500	9,800	9,700	-1,300	-13.3
Government	242,900	241,600	244,400	1,300	0.5

SOURCE: Data compiled by Mississippi Department of Employment Security, Labor Market Information Department in cooperation with U.S. Department of Labor, Bureau of Labor Statistics. September 2005.

Hurricane Katrina: The Challenges

Marianne Hill

Crises bring important turning points, precipitating changes, offering both opportunity and the danger of error. Will the coastal community be drawn together and made stronger overall by the reconstruction process? Will the natural beauty and resources of the Coast be preserved and enhanced by the emerging economy? Will the visions of the Mississippi Renewal Forum become reality? Will the Coast's elderly and low-income families be adequately provided for in the new coastal community? Only time will tell. Clearly some individuals and businesses will not or cannot recover fully from the effects of the storm. But the community as a whole will emerge from the crisis, and decisions being made now are determining the shape of the future. Some of the problems caused by Katrina are discussed below, as well as some of the opportunities opening up. The discussion is by no means all-inclusive, but can serve as a starting point.

Being slammed by a hurricane does not improve a state's economic situation – certainly not in the short-run. During the period of rebuilding, however, there are massive capital inflows and a tremendous surge in income and employment. Property values may rise. Within a few months, per capita incomes on the Coast will be higher than before the storm due to these changes. Not all persons will be better off, however, and some persons will lose in the long-run. Some of the persons and businesses facing more severe obstacles are considered below.

It should also be noted that the state economic forecast presented above looks at trends in income, but not at changes in capital stock and wealth. For some vulnerable individuals and businesses especially, the loss of wealth and capital can have a dramatically negative effect, even when it does not have an immediate impact on income inflows. All these effects need to be considered when making decisions during the hurricane's aftermath.

Who has been hurt most by the storm? Over 230 persons in Mississippi are confirmed dead and many persons remain missing; clearly those who have lost their lives, and those who have lost

their loved ones, are the persons who have been hit hardest by the storm. Others bear physical and emotional scars. The loss of homes, businesses, infrastructure, and of treasured resources such as photographs, papers and books, unpublished research, historical homes, works of art, and more, inflict severe costs. These losses are both monetary and non-monetary; and both need to be considered, although we focus on monetary aspects here.

Monetary losses are calculated based on the replacement value of the property or resources damaged or destroyed. Individuals whose property or resources were under- or uninsured are among the big financial losers after a hurricane. When monetary loss is measured as a percentage of an individual's total wealth, the elderly and those with low- to middle-incomes are among those taking the hardest financial hits. These two groups will find it particularly hard to recover. It is often persons in these groups who are unable to return after a hurricane. It is estimated that 100,000 persons, or about 5% of the population, did not return to Dade County after Hurricane Andrew (this includes population loss due to the closing of the Homestead military base).



Small business owners, too, have a hard row to hoe: even if they had insurance coverage, they may find it difficult to rebuild if they must weather months of very low business activity. New building codes, which are already available in draft form, will also make it more costly to rebuild, adding to the financial burdens of even the fully-insured. Larger businesses are struggling to meet their contractual obligations with customers; although in the short-run they may be able to find the funds needed to rebuild, their bottom-lines may suffer for an extended period.

Many workers lost their jobs as a result of the hurricane. As of September 24th, 51,000 new jobless claims had been filed since Hurricane Katrina, compared to a total of about 55,000 claims paid during the twelve prior months.



Typically, most unemployed workers do not receive unemployment benefits, since they do not meet eligibility requirements. In Mississippi in 2001, for example, only 36% of unemployed workers received benefits.¹ However, if a worker who is unemployed due to Katrina is not eligible for regular unemployment benefits, he or she may receive unemployment benefits through FEMA, which has more flexible criteria in place for disaster victims.²

One side-effect of the increased unemployment payments since Katrina is that the drawdown from Mississippi's unemployment trust fund this year may adversely impact funding of the Mississippi Workforce Training Enhancement Fund, which only receives \$20 million per year if the trust fund remains above a \$500 million threshold. Other possible cutbacks in state programs would also affect Mississippi families.

Will the loss of homes and businesses due to Katrina mean that the poverty rate on the Coast will rise? Most probably it will, but the increase will be an underestimate of the

increased financial hardship for many families, due to shortcomings in the way the poverty threshold is determined.

For example, consider an elderly retiree living in a home that is fully paid for, whose sole income is a monthly social security check. Say her home is totally destroyed, and she is forced to live in an apartment where she now pays rent. According to Census standards, there is no impact on her income, nor does her poverty status change. This is because the poverty line is set by the price of food alone – a family food budget is multiplied by three to estimate the family's poverty level.³

Families who were poor before the hurricane hit and who have lost their homes are less able to overcome the obstacles they face. The poverty rate for Mississippi, according to the 2000 Census, was 20% for individuals and 16% for families. These rates were lower for the coastal counties, closer to the U.S. rate of 8.6%: 11.2% of Hancock County families had incomes below the poverty line; 11.6% of families in Harrison County; and 10.5% of families in Jackson County. In Harrison and Jackson Counties, most of these families (about 60%) were headed by women with low annual earnings (no male present), but in Hancock County only 43% of poor household were female-headed. Hurricane-related aid inflows, if directed to families with very low incomes, could help them to obtain housing, employment and hard-to-find quality child care.



Government at different levels will clearly be feeling a financial squeeze as it tries to respond to the problems caused by Katrina. The state's total bonded indebtedness has tripled in the past ten years; if aid from the federal government is insufficient, the state will be forced to further increase its debt level, which means that more state revenue for several years will be devoted to interest payments and debt repayment. Fewer state funds would then be


available for expenditures in areas such as education, economic development, or justice & corrections. Local governments are facing the loss of much of their property tax revenue, which is their major revenue source. Although in general tax bases will be stronger than ever after reconstruction is complete, there is a short-term problem. Loans are being provided, but increased debt at the local level imposes a greater burden than at the state or federal levels. This problem remains unresolved as this article is written.

It is not possible to state with accuracy where the billions of dollars flowing to the Gulf Coast will go. Inflows depend on the interest of investors, the policy provisions of insurance companies, federal and state legislation guiding government agencies, and the guidelines in place in relief agencies and other nonprofit institutions. And, importantly, the willingness and ability of Coast residents to take out loans or spend their savings to rebuild.

The picture is mixed when it is asked which firms and which workers have benefited from inflows so far. Many contractors and workers are from out-of-state, and many residents have found it difficult to get subcontracts or employment through FEMA. There have been complaints that even those firms that succeed in landing a subcontract may experience delays lasting weeks before being given any work to do (*Clarion-Ledger* 11/13/05 p. 1A). Several advocacy groups are reporting employment-related problems among immigrants working for contractors on the coast.⁴ Several employment-related laws have been suspended for firms receiving FEMA contracts, including affirmative action policies.


The Opportunities Are Grand

In the short-run, expect the businesses that provide goods and services used in rebuilding the Coast to do well. The sectors of construction, transportation, retail and wholesale trade

 in autos, building materials and consumer goods, and repair and social services will be among those experiencing a strong increase in demand. Contractors and subcontractors have already won multi-million dollar contracts in debris removal, construction and other areas, as discussed earlier. The real estate market offers opportunities and challenges for astute investors. It is an exciting, if difficult, time.

In the long-run, future businesses and future residents will be the beneficiaries of the investments made and the work done during reconstruction. It can be expected that in general Mississippi's coastal communities will be more prosperous than ever in the future; and that cities such as Gulfport, Biloxi, Ocean Springs and Pascagoula will see hugely increased tax bases and a thriving population. The extent to which the entire community gains from the rebuilding of the Coast, however, depends on the decisions made

over the coming year. How much aid will be provided, and to whom? Which businesses will return, and who will be the future residents of the Coast? What say will residents of the Coast have regarding the infrastructure of their communities?⁵ Answers to such questions are being decided now. What those decisions will be depends greatly on who makes them. The more participatory and well-coordinated the decision-making process, the more uni-



fied and stronger the ensuing reconstruction efforts are likely to be.

Notes

1. Mississippi's average unemployment benefit is \$169, and the maximum benefit is \$210, which rank lowest in the nation, according to an October report of the National Employment Law Project (NELP).
2. www.fema.gov. Information on other benefits available for hurricane survivors provided in a guide prepared by the Alliance for Healthy Homes at the following site: www.afhh.org.
3. The assumption is that the cost of other necessities is twice that of food – an estimate that no longer holds, according to the National Research Council, which has recommended another way of measuring

poverty (their alternative measure has the net effect of increasing the poverty rate). However, the definition has yet to be changed. See the June 1999 *Review* for more information.

4. "Immigrants often unpaid for Katrina work", Associated Press, 11/5/05.
5. "MDOT: Add Coast Bridge to tales of waste", *Clarion-Ledger* editorial 11/9/05. (MDOT=Mississippi Department of Transportation). Another concern is the release of toxic chemicals to the environment. See, for example, the *Sun Herald* 11/10/05 "Air Quality Monitors Raise Flags" and the statement on the expansion of the DuPont plant near Pass Christian presented at a hearing before the Department of Environmental Quality, 11/8/05, by Reilly Morse and Jerry Landrum using information compiled by Paul Stewart.

CAMELOT ON THE COAST: THE COMMISSION ON RECOVERY, REBUILDING AND RENEWAL

“Absolutely it is essential that we end up with something better than what we lost,” exclaimed Andres Duany, leader of the Mississippi Renewal Forum’s architectural team. With the goal of developing “a broad vision for a better Gulf Coast and South Mississippi”, the Governor’s Commission on Recovery, Rebuilding and Renewal kicked off its efforts with the Mississippi Renewal forum, held October 12-17. A wealth of ideas and a spreading enthusiasm for the possibilities that lie ahead were outcomes of the forum.

A beachfront park in Long Beach with single- and multi-family housing nearby, a fishing village in Biloxi’s Back Bay, and a raised, walled viaduct for truck and rail lines in Gulfport were among the proposals discussed. Sketches of possible designs for the eleven coastal towns and cities were drawn up by teams of architects and engineers from across the nation, and brought to a series of town hall meetings. (These sketches, along with brief write-ups, are available at www.mississippirenewal.com.)

The Commission’s Final Report Due in December

The Governor’s Commission, which is coordinating planning efforts and is the force behind the Renewal Forum, seeks to “give local leaders access to ideas and information that will help them decide what their region will look like five, ten, even twenty or thirty years from now”. (See the following website: www.governorscommission.com.) The decisions on implementation will be made by local officials and private investors almost exclusively.

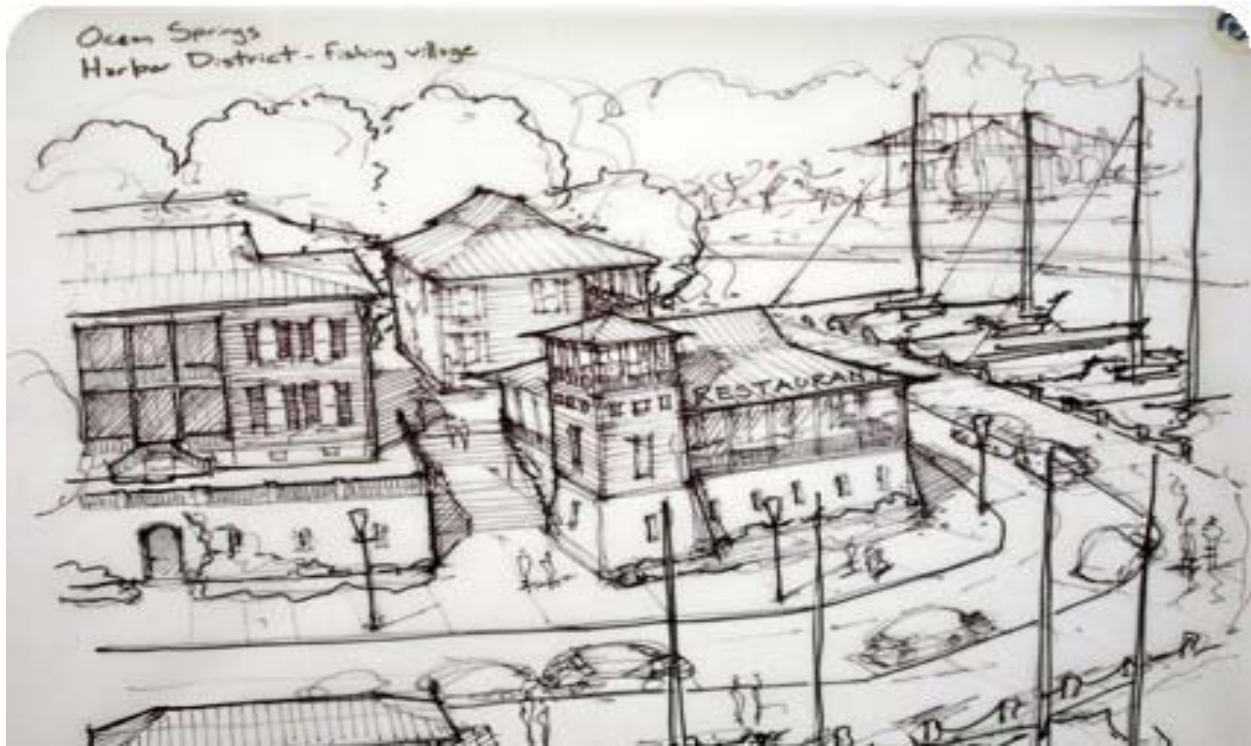
The Commission is made up of 22 committees: nine devoted to issues from infrastructure to health and human services; eight that are geographically-based (counties or multi-county units); and five government-oriented advisory committees (Congress,

House, Senate, County and Municipal committees). The county and regional committees are convening a series of open, town hall-type meetings, while the other committees are focusing on specific areas. Jim Barksdale, former CEO of Netscape Communications and now CEO of Barksdale Management Corporation, was chosen by Governor Haley Barbour to head the Commission. The Commission’s final report, due by the end of 2005, will “summarize the best ideas for rebuilding these communities and present a broad vision for renewal”, enabling local decision makers to decide among ideas and possibilities. The Commission is funded by private donations, and government funding is not accepted.

Designs for Coast Include Visions of National Team

The Mississippi Renewal Forum October 11-17 was an unprecedented effort, according to the website of the Chicago-based Congress for the New Urbanism, which organized the team. Over 100 professionals with expertise in environmental protection, road and transit planning, social issues, economic development, and the design of residences, neighborhoods, and town centers were part of the effort. Led by Miami architect-planner Andres Duany, the team took six and a half days to produce planning materials and architectural designs for the rebuilding process. While some of the expenses of the charrettes (or participatory planning workshops) were covered in part by a grant from the Knight Foundation, the professionals donated time or worked at greatly reduced rates.

The teams created neighborhood-based plans, simplified codes and approval procedures for buildings, and designed low-cost buildings of character “that can be built quickly but retained for permanent use.” There were also designs for redeveloping land once occupied by blighted or vacated



Sketch of possible Ocean Springs Harbor District from the Mississippi Renewal Forum team.

commercial strips into walkable districts, “echoing older and loved parts of the communities.” Plans also offered examples of how to integrate land-based casinos into the rebuilt towns. Websites with more information are provided below.

Information on the Governor’s Commission and the Mississippi Renewal Forum presented here was found at their official websites www.governorscommission.com and www.mississippirenewal.com.

Official websites on rebuilding the Mississippi Gulf Coast:

www.governorsthegulfcoast.com, website of Governor’s Commission on Recovery, Rebuilding and Renewal.

www.mississippirenewal.com website with information coming out of the Renewal Forum and also up-to-date information on the Governor’s Commission in the newsletter “Rebuilding the Coast”.

www.rebuildingthegulfcoast.gov provides a way for US businesses to register at several government websites, and provides a central point for exchange of information about the rebuilding process. The Hurricane Contracting Information Center is here.

www.whitehouse.gov gives information about President Bush’s initiatives.

Websites on the New Urbanism and Mississippi:

- www.cnu.org
- www.smartgrowth.org
- www.newurbanismnews.com

Other websites with ideas/information on rebuilding the state’s Gulf Coast:

www.activeliving.org/index.php/Post+Katrina+Development/141 provides a list of organizations (and their websites) working to assist Gulf Coast communities in rebuilding according to healthy community designs, from The National Recreation and Parks Association to the National Association of County and City Health Officials.

Several local and national organizations, from the Red Cross (www.redcross.org) through the Habitat for Humanity (www.habitat.org) to the Sierra Club (www.sierraclub.org/gulfcoast) have projects in progress on the Coast.

Also, www.stateline.org, funded by the Pew Charitable Trust, provides up-to-date state by state news on hurricane-related developments. Smaller, new organizations have sites, such as the Women’s Equity in Rebuilding Coalition (www.womenwerc.org) and New Orleans’Rebuild Green (www.rebuildgreen.org). A blog that has it all is www.hurricane-katrina.org.

HIGHLIGHTS FROM RECENT NEWS ON MISSISSIPPI'S ECONOMY

See www.mississippi.org and www.visitmississippi.org for more news on economic developments in the state.

Over \$2 billion in investments in **new and expanded facilities** were announced in the first three quarters of 2005, about 82% more than in the same period of 2004, reports the Mississippi Development Authority. About \$1.8 billion of the total investments of \$2.3 billion were in non-manufacturing facilities.

Half of investments over \$25 million this year have been in office buildings, family housing, condominiums and residential communities. The Pinelands in Rankin County (\$211 million), the Town of Lost Rabbit in Madison County (\$200 million) and the Links of Madison (\$50 million), have been announced since April.

The **largest job creator** since April was Nissan North America, which announced plans to hire 1,400 more workers. Several retailers are hiring 100 or more new employees, including Kroger (DeSoto County), Brookshire's (Hinds County), Wal-Mart (Coahoma County) and Lowe's Home Improvement (Harrison, Madison and Neshoba Counties).

Among **manufacturers**, the largest single investment was by Chevron Products (Jackson County), which is planning to invest \$150 million in facilities for the production of benzene and gasoline. Dupont De Nemours also announced a planned \$100 million investment in its Harrison County location, for the production of inorganic pigments. Enbridge Processing is investing \$65 million to produce crude petroleum/natural gas in Wayne County. Skyline Steel will build a steel mill in Tishomingo County (\$17 million), that is expected to provide 30 jobs.

Several auto-related investments are also planned: Unipres Southeast -- \$25 million, automotive stampings (body panels); Kohler Engines -- \$25 million, internal combustion engines; and Modine Manufacturing -- \$17 million, engine parts for motor vehicles and radiators.

Most of the casinos on the Gulf Coast, which had been required to be on the water, were destroyed by Hurricane Katrina. Recently passed legislation permits casinos to move up to 800 feet inland. Billions of dollars of investments in **casinos** are expected to be announced over the coming months. The Mississippi coast had eleven casinos in operation and one about to open prior to Katrina. Two of these will have limited operations by the year's end.

Seventeen sites in Mississippi are included in the National Geographic *Traveler's Appalachian Map Guide*, which was commissioned by the Appalachian Regional Commission (ARC). The sites are described at this interactive map: www.nationalgeographic.com/promo/appalachia and include the Water Valley Casey Jones Railroad Museum, Tennessee Williams Birthplace and Elvis Presley Birthplace and Museum. The Federal Co-Chair of the ARC, Anne Pope, noted during a ceremony in Tupelo announcing the publication that cultural heritage tourism is one of the fastest-growing sectors in tourism today.

Dancing Rabbit's Azaleas and Old Waverly **golf courses** were ranked by *Golf Digest* as among America's 100 greatest courses. The *Digest* also drew up a list of the top five courses in the state. See www.golfdigest.com.

Monmouth Plantation has been ranked number four out of the top 75 U.S. hotels by the Conde' Naste Readers' Choice Awards competition. *Travel and Leisure* also listed the hotel as one of the top three U.S./Canada hotels in the \$250 or less category. The small, luxury hotel is listed as a National Historic Landmark; it was built circa 1818.

The **Natchez-Trace Parkway**, a 444-mile road connecting Nashville and Natchez, was completed this past May. Information on the historic and scenic site along this unique National Park can be found through the Park Service website at www.ups.gov/natr.

GENERAL FUND REVENUES REMAIN ON TRACK POST-KATRINA

Darrin Webb

Mississippians well understand that Hurricane Katrina left tremendous damage in the state. Estimates of the total property damage in Mississippi are between \$20 and \$50 billion. Apart from the initial damage, we know that some establishments located in the coastal counties are trying to operate, but employees are unable to get to work. Many have no place to live and have not returned to the area. These businesses are operating at less than full capacity. Other businesses have been forced to close their doors. Katrina was the most devastating natural disaster in the nation's history. The negative effects to the state, while difficult to quantify, are not difficult to see.

Less understood, however, are the economic consequences of this damage and in particular the effects on the state budget. These consequences include the negative effects just mentioned, but there are positive effects. The state has seen an inflow of evacuees, emergency personnel and construction workers, all of whom are generating economic activity. Some Louisiana businesses have relocated all or part of their operations to Mississippi. Furthermore, rebuilding efforts are already underway and this generates economic activity. As the rebuilding efforts expand, the influx of reinvestment dollars will be tremendous. In fact, the historical pattern for an area recovering from a natural disaster is to experience an initial downturn in economic activity followed by an economic boom as the rebuilding phase gets underway.



With regard to the state's budget, there are two sides to be considered: revenues and expenditures. At this stage, very little is known about the expenditure side. We do not know what portion of the recovery expenditures will be picked up by the federal government. We do not know what aid, if any, the state will give the local governments. Nor do we know the level of uninsured loss and what, if any, aid the state will provide the uninsured. The estimates vary widely.

The revenue picture is a bit more foreseeable. Tax revenues generally follow the level of economic activity. This is particularly true for states such as Mississippi that are highly dependent upon sales and

income taxes. In Mississippi, these two revenue sources account for 72% of the General Fund. In a natural disaster such as Katrina, tax revenues, like economic activity in general, are expected to experience an initial decline immediately following the disaster, followed by a rebound driven by the rebuilding activity. What is not known is how long and how deep the dip will be or how large will be the rebound.

Two months after the storm, it is becoming increasingly evident that the dip in revenues will be small and short-lived. While many retail businesses located nearest the coast remain closed, those in operation are experiencing a high level of sales. This is true throughout much of the state. Unlike New Orleans, the clean-up and rebuilding was able to begin almost immediately following the storm. The influx of construction workers has already begun and hotels and restaurants located in southern counties are unseasonably busy. Significant damage occurred throughout the southern counties and, unlike the coastal areas, there is no dispute over insurance coverage so rebuilding has begun in earnest. Additionally, the limited supply of goods in coastal counties is sending residents inland to replace items that were destroyed. This increased activity has resulted in strong retail sales in Mississippi since the storm. Also experiencing strong growth has been the use tax which is essentially a sales tax on out-of-state purchases. The use tax is strongly affected by construction activity.



Additionally, the purchase and lease of casino equipment boosts retail sales.

In addition to sales tax collections, individual income tax collections have grown at a rapid pace. The state was on the upswing when the storm hit. Increased demand has led to more jobs and overtime pay in utilities, sales, accommodations and services related to debris removal. Additionally, some businesses



chose to continue to pay their employees even though operations were halted. The result, income taxes have continued to increase.

Transfers to the General Fund during the first four months of FY2006 are \$19.4 million above the estimate. This includes a \$20.1 million overage for sales tax, \$7.3 million overage for individual income tax and an \$8.8 million overage for use tax. It also includes a \$14.3 million underage or shortage for the gaming tax. The overage was due largely to strong collections in the month of October. Through September, the General Fund was \$3.0 million below the estimate. While one month does not make a trend, the strong collections in October suggest that Katrina will not significantly reduce tax collections.

Looking forward, we expect retail sales in particular to remain strong throughout FY2006 and into FY2007. Individual income growth in FY2006 is expected to exceed that observed in FY2005. We expect the growth to be even stronger in FY2007. Use tax growth will likely strengthen through the FY2006 and FY2007 year as rebuilding efforts increase and casinos in particular begin to refurbish their facilities. Gaming taxes, however, will remain below the year ago level throughout the remainder of the fiscal year. We expect at least two casinos to open on the coast by the end of 2005 or early 2006. More casinos will open in FY2007.



With these underlying assumptions, the revenue estimating committee recommended and the Joint Legislative Budget Committee adopted a FY2006 estimate of \$3,980.1 million or 3.6% over actual FY2005 and a FY 2007 estimate of \$4,253.5 million or 6.9% above the expected FY2006 estimate.

Tax revenues are only one side of the budget question. While we are optimistic regarding tax revenues, little is known about the expenditure side. However, caution dictates that we anticipate increased expenditures and therefore tight budgets.

DISASTER ASSISTANCE IN RURAL AREAS IN THE AFTERMATH OF HURRICANE KATRINA

Bob Neal

In the weeks since Hurricane Katrina made landfall along the Gulf Coast, the Federal Emergency Management Agency (FEMA) and the Mississippi Emergency Management Agency (MEMA), as well as the Red Cross and other public and private disaster relief organizations, have assisted many Mississippi residents affected by the storm. However, not all who were affected by the hurricane have benefited equally from this massive relief effort. Certain sub-groups in our society (the elderly, children, members of minorities, and other non-mainstream groups) are more vulnerable to disasters. Many of these same sub-groups are also more vulnerable during the relief and recovery period. Recent evidence from hurricanes and other disasters indicates that, “those who are most isolated – whether physically or socially – those with the fewest resources and those who make the least noise are subject to oversight, discrimination and inequity in the provision of disaster relief services.”¹ Rural residents and rural communities are one such group.

Many of the Mississippi counties most affected by Hurricane Katrina have large rural populations. An estimated 26% of the households in the three coastal counties (Hancock, Harrison, and Jackson) are considered rural (residing outside of communities with a population of 2,500 or greater). Approximately 78% of the households in the three counties just north of the coast (Pearl River, Stone, and George) are rural households. Covington County, Jefferson Davis County, and Perry County; all heavily impacted by Katrina, are considered 100% rural by the Census Bureau. The rural residents of these counties have not received the level of assistance seen by their more metropolitan counterparts. This disparity has occurred for several reasons.



●“FEMA’s Bill Carwile admits help was slow inland. Areas away from the coast were not our No. 1 priority,” notes a *Clarion-Ledger* editorial.² Tom Taylor, Region 6 Area Coordinator at MEMA explains this dilemma. “MEMA’s resources are committed to aid anyone in need of assistance after a disaster. But, in the hours and days immediately after Katrina made landfall, our goal was to get the most aid to the most people as quickly as possible. Some rural communities, like Leetown and Pearlinton, were inaccessible for days.”³

●Rural communities and rural people, by definition, reside in thinly populated remote areas. Because there are fewer residents per square mile and they are distant from large population centers, it is more expensive to provide them with services, even under normal circumstances. Furthermore, many agency heads and relief workers at both the state and federal levels are unfamiliar with rural people and rural communities and, therefore, unfamiliar with their needs or wants or attitudes.

●Rural areas do not get the same media exposure that larger, urban areas receive. Photographs of the devastation and stories about the human suffering in New Orleans, Gulfport, and Biloxi appeared virtually nonstop on TV and in the newspaper in the days following Katrina. But, there were few stories about destruction and hardship in rural areas of the State. Newspaper columnist and editor, David Hollis reports, “Stories of rural Americans, during disaster or not, are usually overlooked because the media does not understand (rural America). It does not want to. It is spread out. It is foreign to most reporters headquartered in urban areas, and frankly, is expensive to cover.”⁴



●Rural people, by and large, are very independent and self-reliant. This is more than just a perception. On a day-to-day basis,



rural residents make do with fewer public services than their urban cousins. Many rural residents are unaccustomed to requesting aid and are uncomfortable asking for public assistance. It runs counter to their system of values. But much of our current disaster relief system requires recipients to assume a dependent stance. Requesting disaster assistance forces them into a position which erodes their self-worth and self-esteem. Many rural residents who easily qualify for aid do not pursue it. Roger Hayes, who lives east of State Line, Mississippi, said it this way. “Most people out here aren’t counting on the government anyway. People raised out here are independent. Their needs are simple.”⁵

The seemingly slow and halfhearted disaster relief response in rural areas was due, in part, to the nature of rural places; low population density and remoteness. Rural places, like Leetown and Pearlinton, find it difficult to compete for space on the front page with New Orleans and Gulfport. At many relief organizations and news agencies rural places simply don’t show up on the radar screen. Furthermore, most rural people perceive themselves as independent and self-reliant. Many who qualify for assistance either don’t request it or can’t make enough noise to get the attention of relief agencies and organizations.

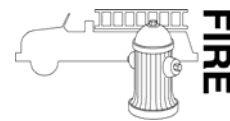
Conclusion

Rural places receive disaster aid more slowly than urban places because they are more thinly populated and, generally, more difficult to access after a disaster. There is little that can be done to alleviate or mitigate these two fundamental factors affecting disaster aid delivery. People who live in rural places must simply accept the fact that disaster aid will reach them more slowly than in urban places. Rural places also receive less disaster aid than their urban cousins. Providing disaster assistance in rural places is more expensive. Fixed costs of providing aid are spread over fewer people and transportation costs are greater.

But rural places also receive less aid because disaster relief agencies and organiza-

tions are less aware of their needs; less cognizant of their mind-set. FEMA and MEMA and other disaster aid agencies and organizations might be more successful in addressing the needs of rural residents if they assigned a rural facilitator or ombudsman to each county who could serve as an advocate for rural communities and rural people in dealing with the complexities of their respective agencies.

Robert R. Latham, the director of MEMA, believes that the key to providing disaster assistance in rural areas of the state is for MEMA to have a solid relationship with local emergency agencies and personnel already established before the disaster strikes. In 1999, only 43 of 82 counties in Mississippi were participating in MEMA’s disaster preparedness programs. In 2005, when Hurricane Katrina hit the coast, 79 counties had emergency management personnel working with MEMA to coordinate the delivery of disaster aid. Latham says “Having local people in place to train the public how to plan for emergencies and take care of themselves in the early hours and days after a disaster is essential.”⁶



Latham said that MEMA is in the process of increasing its staff so that it can better assist the counties in building their disaster preparedness programs. MEMA wants to build relationships with local emergency services providers (like volunteer fire departments) in rural counties so that they (the county emergency agencies and organizations) can provide the immediate needs after a disaster while state and federal resources are mobilizing. In many rural communities, volunteer fire departments were the first responders providing disaster aid in the aftermath of Hurricane Katrina.

Notes

¹ Baisden, Barbara and E.L. Quarantelli, “The Recovery Period in U.S. Disasters: Problems and Opportunities,” University of Delaware Disaster Research Center, Policy Paper No. 60, for the National Policy Forum on Disaster Relief, May 1979.

² *The Clarion-Ledger*, editorial, Sept. 7, 2005, p.12.

³ Personal interview with Mr. Tom Taylor, Region Six Area Coordinator, Mississippi Emergency Management Agency, Nov. 7, 2005. <http://www.msema.org>.

⁴ Hollis, David, Center for Rural Affairs, <http://www.cfra.org>, October, 2005.

⁵ Apuzzo, Matt, *The Clarion-Ledger*, September, 12, 2005, p. 11A.

⁶ Personal interview with Mr. Robert R. Latham, Director, Mississippi Emergency Management Agency, November 7, 2005, <http://www.msema.org>.

ECONOMIC DEVELOPMENT CAN BLOSSOM THROUGH MAGNOLIA!

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According to one economic analyst, "...the American economy is now ... propelled by pervasive new information and communication technologies and complementary changes in business practices" (Alcaly, 2003). Information technologies clearly play a crucial role in both product development and strategic market management for businesses of all sizes. The Mississippi business community is fortunate to have a powerful tool at its disposal: the MAGNOLIA suite of indexes and databases. MAGNOLIA is available from any computer, once the user obtains the remote username at a local Mississippi public library.



MAGNOLIA (Mississippi Alliance for Gaining New Opportunities Through Library Information Access) this August celebrated its eighth year as a statewide cooperative bringing a core suite of commercial databases to all Mississippians through publicly-supported library programs-- in schools, public libraries, community colleges and universities.¹

MAGNOLIA Business Resources

What impact will Hurricane Katrina have on the Gulf Coast economy? Where can you find financial information on publicly-traded companies, or identify market leaders in your industry? Or read your favorite business magazine or newspaper? The answer is MAGNOLIA.

The MAGNOLIA home page, found here: (<http://www.lib.usm/~magnolia/magnolia.htm>) provides a complete listing of databases available, as well as additional information about the project. The business suite of databases available through MAGNOLIA puts a world-class business library on the desktop of every small business in Mississippi. Business databases (such as Business Source Premier) and more general databases (such as MasterFile Premier or Academic Search Premier) are included. Table 1 lists the databases available, and the more than 11,600 periodicals viewable online. While popular

titles such as *Business Week* may appear in several of these databases, this figure does provide some measure of the number of the full-text resources available.

More specifically, these databases provide access to electronic journals, full-text books, and core business reference resources. Take, for example, Gale's *Business & Company Resource Center*. This business resource combines traditional indexing and abstracting of the business literature with electronic journals and company or industry data. Data sources accessible through this resource include titles such as *Brands and Their Companies*, *Business Ranking Annual*, *Market Share Reporter*, and *World Market Share Reporter*.

This one resource brings a large business library to the desktop of local businesses. A typical entry for a publicly-traded company might include balance sheet data, industry rankings, a company history, and a company profile with key officers and contact information. Just as useful and harder to obtain, information on selected private companies is included in the database. While these private company entries are usually less complete, a typical entry might include selected financial data, contact information, articles, and industry rankings. *General BusinessFile ASAP*, another option for business

Table 1. **SOME FULL TEXT TITLES AVAILABLE THROUGH MAGNOLIA BUSINESS DATABASES**

<u>Database</u>	<u>Full Text Titles</u>
Business Source Elite	1,120
Academic Search Premier	4,683
Regional Business News	75
Business & Company Resource Center	3,010
General Business File ASAP	2,731
TOTAL	11,619*

*Total full text title count; this does not represent unique titles.

Note: Databases oriented to subjects besides business are also available.

information, provides access to over 200,000 company profiles and more than 50,000 *Investext* reports.

The databases provided by EBSCO, a Birmingham Alabama information company, can meet the information needs of both large and small companies. *Business Source Elite* provides indexing and abstracting for almost 2,000 business journals, with 1,120 available online via full-text access. Approximately 150 core business titles have been selected to full-text access back to 1985, including popular business titles, such as the *Harvard Business Review*. Users may search by a general keyword, company name, NAICS code, geographic region, or key personal name.

Also provided are over 10,000 substantial company profiles from Datamonitor. These profiles provide extensive company information via a downloadable pdf report. A typical report might include a business description and history, a discussion of key products and competitors, executive biographies, and selected company financial data. Selected reports also include a SWOT (strengths-weaknesses-opportunities-threats) analysis.

A companion product, *Regional Business News*, provides access to regional U.S. business newspapers and journals. Over 75 newspapers within the database offer a 90-day “rolling” cover of regional business news. Some backfiles for selected business publications are available; the *Mississippi Business Journal*, for example, is available online back to 1990.

Business Source Elite also provides a number of general business publication, including *Inc.*, *Money Magazine*, *the Economist*, *Business Week* and *Kiplinger’s Personal Finance Magazine*, *International Trade Forum*, *International Economy* and many more. Trade publications are also available, including the latest issues of *Real Estate Issues*, *Automotive Marketing*, *American Banker*, *Insurance Advocate*, *International Construction*, and *Computer-World*. The *Business Index* and *MasterFile Premier* also offer titles.

While the focus of this section has been on business-related MAGNOLIA resources, many more databases are provided. For example, health-related information is made available through such core resources as Health Source/Consumer Edition and Health Source/Academic and Nursing Edition.

MAGNOLIA Access

You can access this goldmine of business information at any publicly-funded library in the state of Mississippi. This includes K-12 schools, public libraries, community college libraries, and college/ university libraries. Local public libraries also provide instruction on using any MAGNOLIA databases.

But the power of the internet makes information available at the point of need. By visiting your local public library, you can receive the username for remote access from anywhere in the state.

The K-12 set of databases provides thousands of online journals, electronic books

and several online encyclopedias to the publicly-funded schools located throughout the state. A recent study examined the cost of providing the MAGNOLIA suite of databases to a sample of eight groups: two high schools, two community college libraries, two public library systems, and two university libraries. The cost for just these eight institutions would have been almost \$900,000. (For more information on this study, see http://library.msstate.edu/magnolia/magnolia_comparison.pdf) For slightly more than just one million dollars, the MAGNOLIA project leverages this legislative allocation to provide access across the state, benefiting the student writing his or her first school paper, the small business, and the retiree looking for investment information. In an economy where information is power, MAGNOLIA empowers the citizens of Mississippi with a state-of-the-art information network.

Note

¹This statewide project provides both databases and full-text journals. MAGNOLIA began with a \$568,000 appropriation from the Mississippi legislature in 1997. Its current budget is a little over one million dollars. Unlike similar programs in North Carolina or Georgia, 100% of the dollars allocated to the MAGNOLIA project are directed towards database acquisitions; training and publicity is provided by the library community including school, public, community college, and university librarians.

Reference

Alcaly, R. 2003. *The New Economy*. New York: Farrar, Giroux & Straus.

Appendix A
MISSISSIPPI ECONOMETRIC MODEL
TABLE OF FORECAST VALUES
2005 THROUGH 2010

The forecast numbers in these tables represent the mathematical solution of the state econometric model in which future values of econometric variables are predicted on the basis of past and current trends in the U.S. and Mississippi economies. The U.S. forecasts are based on the Global Insight, Inc.'s forecast. The model must be continually re-solved as new data becomes available.

Table 1-A

Mississippi Econometric Model
Selected Indicators

Description	2005	2006	2007	2008	2009	2010
Gross State Product(Mill \$)	\$79421	\$84577	\$88909	\$92700	\$96730	\$101304
Gross State Product(Mill Constant\$)	\$70084	\$72964	\$75235	\$76790	\$78551	\$80615
Gross State Product Deflator	1.13	1.16	1.18	1.21	1.23	1.26
Total Employment, Residents(Thous)	1239.3	1261.0	1271.6	1282.7	1291.8	1301.7
Civilian Labor Force(Thous)	1345.0	1350.4	1351.3	1360.2	1368.4	1378.1
Unemployment Rate(Percent)	7.9	6.6	5.9	5.7	5.6	5.5
Total Personal Income(Mill \$)	\$73961	\$79349	\$83295	\$87542	\$91975	\$96516
Total Personal Income.(Mill Constant\$)	\$65709	\$68595	\$70594	\$73004	\$75122	\$77135
Per Capita Income (\$)	\$25280	\$26997	\$28206	\$29502	\$30847	\$32214
Per Capita Income(Constant\$)	\$22459	\$23338	\$23905	\$24603	\$25195	\$25745
Consumer Price Deflator(South)	1.13	1.16	1.18	1.20	1.22	1.25
Population (Mill)	2.93	2.94	2.95	2.97	2.98	3.00

Table 1-B

Mississippi Econometric Model
Selected Indicators
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Gross State Product(Nominal)	4.2	6.5	5.1	4.3	4.3	4.7
Gross State Product(Real)	1.4	4.1	3.1	2.1	2.3	2.6
Gross State Product Deflator	2.8	2.3	1.9	2.2	2.0	2.0
Total Employment, Residents	-0.7	1.7	0.8	0.9	0.7	0.8
Civilian Labor Force	1.1	0.4	0.1	0.7	0.6	0.7
Unemployment Rate	37.9	-15.8	-10.9	-3.4	-1.8	-1.1
Total Personal Income(Nominal)	3.2	7.3	5.0	5.1	5.1	4.9
Total Personal Income(Real)	-0.3	4.4	2.9	3.4	2.9	2.7
Per Capita Income(Nominal)	2.5	6.8	4.5	4.6	4.6	4.4
Per Capita Income(Real)	-1.0	3.9	2.4	2.9	2.4	2.2
Consumer Price Deflator(South)	3.5	2.8	2.0	1.6	2.1	2.2
Population	0.7	0.5	0.5	0.5	0.5	0.5

Table 2-A

Mississippi Econometric Model
Output

(Millions of Current\$)

Description	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT	\$79421	\$84577	\$88909	\$92700	\$96730	\$101304
Goods-Producing Sectors						
Manufacturing	\$12323	\$13012	\$13698	\$14425	\$15156	\$15903
Durable Goods	6931	7345	7720	8137	8550	8976
Nondurable Goods	5393	5667	5978	6288	6606	6927
Contract Construction	\$3398	\$4129	\$4393	\$4234	\$4180	\$4332
Natural Resources, Mining	\$1176	\$1228	\$1270	\$1319	\$1372	\$1417
Agric, Forestry & Fishing	2124	2240	2202	2255	2261	2295
Services-Producing Sectors						
Transportation, Utilities	\$4955	\$5223	\$5433	\$5603	\$5780	\$5991
Wholesale, Retail Trade	\$11184	\$11884	\$12288	\$12722	\$13241	\$13786
Finance, Insurance, Real Estate	\$10908	\$11659	\$12356	\$12991	\$13619	\$14296
Health Care & Social Assistance	\$5883	\$6237	\$6561	\$6904	\$7282	\$7691
Leisure & Hospitality	\$4095	\$4425	\$4889	\$5188	\$5482	\$5782
Business & Other Services	\$1302	\$1302	\$1314	\$1330	\$1347	\$1364
Government	\$13848	\$14505	\$15245	\$15958	\$16661	\$17447

Table 2-B

Mississippi Econometric Model
Output
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT	4.2	6.5	5.1	4.3	4.3	4.7
Goods-producing Sectors						
Manufacturing	3.9	5.6	5.3	5.3	5.1	4.9
Durable Goods	3.9	6.0	5.1	5.4	5.1	5.0
Nondurable Goods	3.9	5.1	5.5	5.2	5.1	4.9
Contract Construction	7.5	21.5	6.4	-3.6	-1.3	3.6
Natural Resources, Mining	7.6	4.4	3.5	3.9	4.0	3.3
Agric, Forestry & Fishing	-2.9	5.5	-1.7	2.4	0.3	1.5
Services-producing Sectors						
Transportation, Utilities	3.7	5.4	4.0	3.1	3.2	3.6
Wholesale, Retail Trade	4.3	6.3	3.4	3.5	4.1	4.1
Finance, Insurance, Real Estate	4.2	6.9	6.0	5.1	4.8	5.0
Health Care & Social Assistance	6.1	6.0	5.2	5.2	5.5	5.6
Leisure & Hospitality	-2.3	8.1	10.5	6.1	5.7	5.5
Business & Other Services	5.9	5.3	5.4	5.0	5.4	5.7
Government	4.8	4.7	5.1	4.7	4.4	4.7

Table 3-A

Description	Mississippi Econometric Model					
	Real Output (Millions of Constant\$)					
	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT	\$70084	\$72964	\$75235	\$76790	\$78551	\$80615
Goods-Producing Sectors						
Manufacturing	\$11265	\$11637	\$12004	\$12379	\$12759	\$13132
Durable Goods	6443	6693	6907	7145	7381	7617
Nondurable Goods	4822	4943	5097	5234	5378	5515
Contract Construction	\$2605	\$3079	\$3193	\$2995	\$2882	\$2912
Natural Resources, Mining	\$772	\$786	\$794	\$806	\$819	\$827
Agric. Forestry & Fishing	1744	1815	1763	1784	1771	1780
Services-Producing Sectors						
Transportation, Utilities	\$4338	\$4482	\$4576	\$4631	\$4696	\$4783
Wholesale, Retail Trade	\$11102	\$11630	\$11964	\$12172	\$12453	\$12752
Finance, Insurance, Real Estate	\$9532	\$9951	\$10319	\$10608	\$10891	\$11196
Health Care & Social Assistance	\$4934	\$5114	\$5268	\$5425	\$5609	\$5806
Leisure & Hospitality	\$3634	\$3825	\$4126	\$4270	\$4407	\$4539
Business & Other Services	\$8610	\$8834	\$9085	\$9299	\$9568	\$9874
Government	\$11550	\$11812	\$12142	\$12422	\$12695	\$13012

Table 3-B

Description	Mississippi Econometric Model					
	Real Output Growth Rates (Percent)					
	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT	1.4	4.1	3.1	2.1	2.3	2.6
Goods-producing Sectors						
Manufacturing	1.1	3.3	3.2	3.1	3.1	2.9
Durable Goods	1.3	3.9	3.2	3.4	3.3	3.2
Nondurable Goods	0.9	2.5	3.1	2.7	2.8	2.5
Contract Construction	3.0	18.2	3.7	-6.2	-3.8	1.0
Natural Resources, Mining	1.5	1.8	1.1	1.4	1.7	1.0
Agric. Forestry & Fishing	-7.2	4.1	-2.9	1.2	-0.7	0.5
Services-producing Sectors						
Transportation, Utilities	0.9	3.3	2.1	1.2	1.4	1.9
Wholesale, Retail Trade	2.8	4.8	2.9	1.7	2.3	2.4
Finance, Insurance, Real Estate	1.4	4.4	3.7	2.8	2.7	2.8
Health Care & Social Assistance	2.9	3.6	3.0	3.0	3.4	3.5
Leisure & Hospitality	-4.8	5.3	7.9	3.5	3.2	3.0
Business & Other Services	3.0	2.6	2.8	2.4	2.9	3.2
Government	1.6	2.3	2.8	2.3	2.2	2.5

Table 4-A

Mississippi Econometric Model
Employment

(Thousands)

Description	2005	2006	2007	2008	2009	2010
Nonfarm Employment, Wage and Salary	1123.4	1148.8	1169.0	1177.3	1186.9	1197.0
Manufacturing	176.0	178.7	179.9	178.5	178.5	178.5
Durable Goods	114.2	116.5	117.6	116.5	116.9	117.0
Nondurable Goods	61.8	62.2	62.3	62.0	61.6	61.6
Contract Construction	51.1	59.0	58.5	56.7	56.4	57.0
Natural Resources, Mining	8.7	8.8	8.8	8.8	8.8	8.8
Transportation, Utilities	46.8	48.1	48.4	48.9	49.3	49.5
Wholesale, Retail Trade	174.7	178.7	180.6	182.0	183.0	184.2
Finance, Insurance, Real Estate	46.0	46.8	47.0	47.3	47.6	47.9
Health Care & Social Assistance	105.5	108.9	111.7	113.9	116.4	118.7
Leisure & Hospitality	118.3	116.4	126.4	129.4	130.6	131.5
Business & Other Services	152.0	156.1	157.8	159.8	161.9	164.5
Government	244.4	247.3	249.7	252.2	254.4	256.4

Table 4-B

Mississippi Econometric Model
Employment
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Nonfarm Employment, Wage and Salary	0.0	2.3	1.8	0.7	0.8	0.8
Manufacturing	-1.9	1.5	0.7	-0.8	0.0	0.0
Durable Goods	-1.8	2.0	1.0	-1.0	0.3	0.1
Nondurable Goods	-2.1	0.7	0.1	-0.5	-0.6	-0.1
Contract Construction	3.9	15.4	-0.8	-3.2	-0.4	1.0
Natural Resources, Mining	-1.0	1.2	0.7	-0.3	0.4	-0.1
Transportation, Utilities	0.3	2.9	0.6	1.1	0.7	0.5
Wholesale, Retail Trade	0.6	2.3	1.0	0.8	0.6	0.6
Finance, Insurance, Real Estate	0.2	1.7	0.5	0.6	0.7	0.6
Health Care & Social Assistance	2.0	3.2	2.6	1.9	2.2	2.0
Leisure & Hospitality	-5.2	-1.6	8.6	2.3	0.9	0.7
Business & Other Services	1.9	2.7	1.1	1.2	1.3	1.6
Government	0.9	1.2	1.0	1.0	0.9	0.7

Table 5-A

Mississippi Econometric Model
Personal Income

(Millions of Current\$)

Description	2005	2006	2007	2008	2009	2010
Total Personal Income	\$73961	\$79349	\$83295	\$87542	\$91975	\$96516
Wages & Salaries	\$35464	\$37657	\$39464	\$41323	\$43290	\$45334
Other Labor Income	\$9537	\$10223	\$10816	\$11346	\$11857	\$12379
Proprietors' Income	\$5722	\$6654	\$7021	\$7400	\$7800	\$8211
Farm Proprietors	\$806	\$873	\$913	\$945	\$983	\$1015
Nonfarm Proprietors	\$4915	\$5781	\$6108	\$6455	\$6817	\$7196
Property Income	\$7330	\$10811	\$11397	\$12056	\$12770	\$13528
Transfer Payments	\$19601	\$17875	\$18652	\$19663	\$20686	\$21691
Less: Social Security Payments	\$5729	\$6005	\$6301	\$6618	\$6952	\$7299
Plus: Residence Adjustment	\$2037	\$2135	\$2246	\$2372	\$2524	\$2673
Less: Individual IRS Collections	\$4292	\$4412	\$4624	\$4897	\$5176	\$5440
Less: Ind. State & Local Taxes	\$1351	\$1371	\$1447	\$1526	\$1595	\$1670
Equals: Disposable Personal Inc.	\$68318	\$73566	\$77224	\$81120	\$85204	\$89407

Table 5-B

Mississippi Econometric Model
Personal Income
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Total Personal Income	3.2	7.3	5.0	5.1	5.1	4.9
Wages & Salaries	3.8	6.2	4.8	4.7	4.8	4.7
Other Labor Income	5.5	7.2	5.8	4.9	4.5	4.4
Proprietors' Income	-10.2	16.3	5.5	5.4	5.4	5.3
Farm Proprietors	-28.9	8.2	4.6	3.5	4.1	3.2
Nonfarm Proprietors	-6.2	17.6	5.7	5.7	5.6	5.6
Property Income	-28.0	47.5	5.4	5.8	5.9	5.9
Transfer Payments	27.4	-8.8	4.4	5.4	5.2	4.9
Less: Social Security Payments	4.7	4.8	4.9	5.0	5.0	5.0
Plus: Residence Adjustment	4.0	4.8	5.2	5.6	6.4	5.9
Less: Individual IRS Collections	4.2	2.8	4.8	5.9	5.7	5.1
Less: Ind. State & Local Taxes	4.0	1.5	5.6	5.5	4.5	4.7
Equals: Disposable Personal Inc.	3.3	7.7	5.0	5.0	5.0	4.9

Table 6-A

Mississippi Econometric Model
Real Personal Income

(Millions of Constant\$)

Description	2005	2006	2007	2008	2009	2010
Total Personal Income	\$65709	\$68595	\$70594	\$73004	\$75122	\$77135
Wages & Salaries	\$31507	\$32553	\$33446	\$34461	\$35358	\$36230
Other Labor Income	\$8473	\$8838	\$9167	\$9462	\$9684	\$9893
Proprietors' Income	\$5083	\$5752	\$5950	\$6171	\$6371	\$6562
Farm Proprietors	\$716	\$754	\$774	\$788	\$803	\$811
Nonfarm Proprietors	\$4367	\$4998	\$5177	\$5383	\$5568	\$5751
Property Income	\$6512	\$9346	\$9659	\$10054	\$10430	\$10812
Transfer Payments	\$17414	\$15452	\$15808	\$16398	\$16895	\$17335
Less: Social Security Payments	\$5090	\$5191	\$5340	\$5519	\$5678	\$5833
Plus: Residence Adjustment	\$1810	\$1845	\$1903	\$1978	\$2061	\$2136
Less: Individual IRS Collections	\$3813	\$3814	\$3919	\$4083	\$4227	\$4347
Less: Ind. State & Local Taxes	\$1200	\$1185	\$1226	\$1272	\$1302	\$1334
Equals: Disposable Personal Inc.	\$60696	\$63596	\$65449	\$67648	\$69592	\$71453

Table 6-B

Mississippi Econometric Model
Real Personal Income
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Total Personal Income	-0.3	4.4	2.9	3.4	2.9	2.7
Wages & Salaries	0.3	3.3	2.7	3.0	2.6	2.5
Other Labor Income	1.9	4.3	3.7	3.2	2.4	2.2
Proprietors' Income	-13.3	13.2	3.4	3.7	3.2	3.0
Farm Proprietors	-31.3	5.3	2.5	1.8	2.0	1.0
Nonfarm Proprietors	-9.4	14.4	3.6	4.0	3.4	3.3
Property Income	-30.4	43.5	3.4	4.1	3.7	3.7
Transfer Payments	23.1	-11.3	2.3	3.7	3.0	2.6
Less: Social Security Payments	1.1	2.0	2.9	3.4	2.9	2.7
Plus: Residence Adjustment	0.4	1.9	3.1	3.9	4.2	3.6
Less: Individual IRS Collections	0.7	0.0	2.7	4.2	3.5	2.8
Less: Ind. State & Local Taxes	0.5	-1.3	3.5	3.8	2.4	2.4
Equals: Disposable Personal Inc.	-0.2	4.8	2.9	3.4	2.9	2.7

Table 7-A

Mississippi Econometric Model
Selected Indicators--Fiscal Years

Description	2005	2006	2007	2008	2009	2010
Gross State Product(Mill \$)	\$77813	\$81999	\$86743	\$90805	\$94715	\$99017
Gross State Product(Mill Constant\$)	\$69612	\$71524	\$74100	\$76012	\$77670	\$79583
Gross State Product Deflator	1.12	1.15	1.17	1.19	1.22	1.24
Total Employment, Residents(Thous)	1243.7	1250.2	1266.3	1277.1	1287.2	1296.7
Civilian Labor Force(Thous)	1337.6	1347.7	1350.9	1355.8	1364.3	1373.2
Unemployment Rate(Percent)	6.8	7.2	6.3	5.8	5.7	5.6
Total Personal Income(Mill \$)	\$72798	\$76655	\$81322	\$85419	\$89759	\$94245
Total Personal Inc.(Mill Constant\$)	\$65795	\$67152	\$69594	\$71799	\$74063	\$76128
Per Capita Income (\$)	\$24973	\$26139	\$27602	\$28854	\$30175	\$31530
Per Capita Income(Constant\$)	\$22572	\$22899	\$23622	\$24254	\$24899	\$25470
Consumer Price Deflator(South)	1.11	1.14	1.17	1.19	1.21	1.24
Population (Mill)	2.91	2.93	2.95	2.96	2.97	2.99

Table 7-B

Mississippi Econometric Model
Selected Indicators
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Gross State Product(Nominal)	5.1	5.4	5.8	4.7	4.3	4.5
Gross State Product(Real)	2.4	2.7	3.6	2.6	2.2	2.5
Gross State Product Deflator	2.6	2.5	2.1	2.1	2.1	2.0
Total Employment, Residents	0.1	0.5	1.3	0.9	0.8	0.7
Civilian Labor Force	0.9	0.8	0.2	0.4	0.6	0.7
Unemployment Rate	12.1	6.8	-13.5	-7.3	-2.6	-1.4
Total Personal Income(Nominal)	4.5	5.3	6.1	5.0	5.1	5.0
Total Personal Income(Real)	1.5	2.1	3.6	3.2	3.2	2.8
Per Capita Income(Nominal)	3.8	4.7	5.6	4.5	4.6	4.5
Per Capita Income(Real)	0.8	1.4	3.2	2.7	2.7	2.3
Consumer Price Deflator(South)	3.0	3.1	2.4	1.8	1.9	2.2
Population	0.7	0.6	0.5	0.5	0.5	0.5

Table 8-A

U.S. Economic Indicators
Global Insight, Inc.--November 2005

Description	2005	2006	2007	2008	2009	2010
Gross Domestic Product(Bill \$)	\$12486	\$13248	\$13920	\$14704	\$15517	\$16316
Gross Domestic Product(Bill Constant\$)	\$11140	\$11522	\$11876	\$12278	\$12658	\$13015
GDP Price Deflator	112.1	115.0	117.2	119.8	122.6	125.4
Total Civilian Employment(Mill)	141.7	144.3	146.4	148.3	150.1	151.4
Unemployment Rate(Percent)	5.1	4.8	4.9	4.7	4.6	4.7
Personal Income(Bill \$)	\$10269	\$10938	\$11583	\$12269	\$12990	\$13720
Prime Rate(Percent)	6.2	7.7	7.8	7.8	8.0	8.2
30-Year Mortgage Rate (Percent)	5.9	6.8	6.9	7.0	7.3	7.5
State and Local Total Receipts(Bill \$)	\$1139	\$1206	\$1262	\$1326	\$1392	\$1459
Consumer Price Index (1982=100)	195.2	200.2	203.2	207.2	211.9	216.6
Per Capita Income (\$)	\$34599	\$36523	\$38334	\$40253	\$42249	\$44242

Table 8-B

U.S. Economic Indicators
Growth Rates (Percent)

Description	2005	2006	2007	2008	2009	2010
Gross Domestic Product(Nominal)	6.4	6.1	5.1	5.6	5.5	5.2
Gross Domestic Product(Real)	3.6	3.4	3.1	3.4	3.1	2.8
GDP Price Deflator	2.8	2.6	1.9	2.2	2.4	2.3
Total Civilian Employment	1.8	1.9	1.4	1.4	1.2	0.8
Unemployment Rate	-7.8	-4.9	0.4	-2.6	-1.7	2.0
Personal Income	5.7	6.5	5.9	5.9	5.9	5.6
Prime Rate	42.4	24.0	1.1	0.8	2.4	2.9
30-Year Mortgage Rate	0.3	15.9	1.8	1.6	3.6	3.6
State and Local Total Receipts	8.8	5.9	4.7	5.0	5.0	4.7
Consumer Price Index	3.4	2.6	1.5	2.0	2.2	2.2
Per Capita Income	4.8	5.6	5.0	5.0	5.0	4.7

Table 9-A

U.S. Economic Indicators--Fiscal Years
Global Insight, Inc.--November 2005

Description	2005	2006	2007	2008	2009	2010
Gross Domestic Product(Bill \$)	\$12110	\$12867	\$13584	\$14312	\$15111	\$15916
Gross Domestic Product(Bill Constant\$)	\$10948	\$11331	\$11699	\$12077	\$12468	\$12837
GDP Price Deflator	110.6	113.5	116.1	118.5	121.2	124.0
Total Civilian Employment (Mill)	140.5	143.0	145.3	147.3	149.2	150.8
Unemployment Rate(Percent)	5.3	5.0	4.8	4.8	4.7	4.7
Personal Income(Bill \$)	\$9991	\$10603	\$11260	\$11926	\$12629	\$13355
Prime Rate(Percent)	5.3	6.9	7.7	7.8	7.9	8.1
30-Year Mortgage Rate (Percent)	5.8	6.3	6.8	7.0	7.1	7.4
State and Local Total Receipts(Bill \$)	\$1093	\$1173	\$1234	\$1294	\$1359	\$1425
Consumer Price Index (1982=100)	192.1	197.7	201.7	205.2	209.5	214.2
Per Capita Income (\$)	\$33813	\$35561	\$37429	\$39294	\$41251	\$43246

Table 9-B

U.S. Economic Indicators
Growth Rates

(Percent)

Description	2005	2006	2007	2008	2009	2010
Gross Domestic Product(Nominal)	6.7	6.2	5.6	5.4	5.6	5.3
Gross Domestic Product(Real)	3.9	3.5	3.2	3.2	3.2	3.0
GDP Price Deflator	2.7	2.7	2.2	2.1	2.3	2.3
Total Civilian Employment	1.4	1.8	1.6	1.4	1.3	1.0
Unemployment Rate	-7.8	-6.4	-2.3	-1.1	-2.2	0.1
Personal Income	5.8	6.1	6.2	5.9	5.9	5.7
Prime Rate	24.4	31.6	11.3	0.9	1.6	2.6
30-Year Mortgage Rate	0.3	8.1	8.3	1.7	2.6	3.6
State and Local Total Receipts	8.2	7.2	5.2	4.8	5.0	4.9
Consumer Price Index	3.0	3.0	2.0	1.7	2.1	2.2
Per Capita Income	4.9	5.2	5.3	5.0	5.0	4.8

Appendix B
MISSISSIPPI ECONOMETRIC MODEL
TABLE OF HISTORICAL VALUES
1994 THROUGH 2004

The historical data in these tables, which are subject to annual revision, are from the U.S. Bureau of Economic Analysis, the U.S. Bureau of the Census, and the U.S. Bureau of Labor Statistics or are constructed from these sources by the Center for Policy Research and Planning. Global Insight, Inc. also uses official sources for its U.S. data (Tables 8 and 9).

Table I-A

Mississippi Econometric Model
Selected Indicators

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross State Product(Mill \$)	\$50361	\$53517	\$55685	\$57954	\$60348	\$62934	\$64133	\$65725	\$68550	\$71872	\$76205
Gross State Product(Mill Constant\$)	\$57653	\$59589	\$60576	\$61882	\$63227	\$64627	\$64140	\$63767	\$65257	\$66781	\$69141
Gross State Product Deflator	0.87	0.90	0.92	0.94	0.95	0.97	1.00	1.03	1.05	1.08	1.10
Total Employment,Residents(Thous)	1160.0	1175.3	1187.0	1200.8	1211.5	1223.7	1244.0	1230.0	1219.1	1237.2	1248.1
Civilian Labor Force(Thous)	1242.5	1257.6	1266.6	1278.0	1281.4	1291.7	1318.1	1303.3	1306.8	1321.8	1330.2
Unemployment Rate (Percent)	6.6	6.5	6.3	6.0	5.4	5.3	5.6	5.6	6.7	6.4	5.7
Total Personal Income(Mill \$)	\$43805	\$45974	\$48645	\$51514	\$54820	\$56719	\$59838	\$62739	\$64553	\$67642	\$71635
Total Personal Inc.(Mill Constant\$)	\$50618	\$51576	\$52946	\$54888	\$57651	\$58540	\$59838	\$61309	\$62281	\$63789	\$65882
Per Capita Income (\$)	\$16265	\$16869	\$17677	\$18527	\$19526	\$20037	\$21001	\$21941	\$22493	\$23442	\$24666
Per Capita Income(Constant\$)	\$18795	\$18925	\$19240	\$19741	\$20535	\$20680	\$21001	\$21441	\$21702	\$22107	\$22686
Consumer Price Deflator(South)	0.87	0.89	0.92	0.94	0.95	0.97	1.00	1.02	1.04	1.06	1.09
Population (Mill)	2.69	2.73	2.75	2.78	2.81	2.83	2.85	2.86	2.87	2.89	2.90

Table I-B

Mississippi Econometric Model
Selected Indicators
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross State Product(Nominal)	8.4	6.3	4.1	4.1	4.1	4.3	1.9	2.5	4.3	4.8	6.0
Gross State Product(Real)	6.0	3.4	1.7	2.2	2.2	2.2	-0.8	-0.6	2.3	2.3	3.5
Gross State Product Deflator	2.3	2.8	2.4	1.9	1.9	2.0	2.7	3.1	1.9	2.5	2.4
Total Employment, Residents	2.9	1.3	1.0	1.2	0.9	1.0	1.7	-1.1	-0.9	1.5	0.9
Civilian Labor Force	2.6	1.2	0.7	0.9	0.3	0.8	2.0	-1.1	0.3	1.1	0.6
Unemployment Rate	-4.5	-1.6	-3.9	-3.9	-9.7	-3.5	6.9	0.1	19.3	-4.7	-11.0
Total Personal Income(Nominal)	7.9	5.0	5.8	5.9	6.4	3.5	5.5	4.8	2.9	4.8	5.9
Total Personal Income(Real)	5.0	1.9	2.7	3.7	5.0	1.5	2.2	2.5	1.6	2.4	3.3
Per Capita Income(Nominal)	6.6	3.7	4.8	4.8	5.4	2.6	4.8	4.5	2.5	4.2	5.2
Per Capita Income(Real)	3.7	0.7	1.7	2.6	4.0	0.7	1.6	2.1	1.2	1.9	2.6
Consumer Price Deflator(South)	2.8	3.0	3.1	2.1	1.3	1.9	3.2	2.3	1.3	2.3	2.5
Population	1.3	1.2	1.0	1.0	1.0	0.8	0.7	0.4	0.4	0.5	0.6

Table 2-A

Description	Mississippi Econometric Model Output										(Millions of \$)
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
GROSS STATE PRODUCT	\$50361	\$53517	\$55685	\$57954	\$60348	\$62934	\$64133	\$65725	\$68550	\$71872	\$76205
Goods-Producing Sectors											
Manufacturing	\$11091	\$11556	\$11254	\$11511	\$11565	\$12025	\$11445	\$11074	\$11034	\$11341	\$11863
Durable Goods	\$6318	\$6527	\$6451	\$6668	\$6886	\$6979	\$6628	\$6243	\$6236	\$6363	\$6673
Nondurable Goods	\$4773	\$5029	\$4803	\$4843	\$4679	\$5046	\$4817	\$4830	\$4798	\$4978	\$5190
Contract Construction	\$1904	\$2021	\$2258	\$2465	\$2870	\$2900	\$2865	\$2862	\$3091	\$3043	\$3160
Natural Resources, Mining	\$372	\$379	\$469	\$516	\$367	\$430	\$636	\$673	\$720	\$972	\$1094
Agric, Forestry & Fishing	\$1999	\$1657	\$2133	\$2052	\$1793	\$1709	\$1584	\$1765	\$1414	\$1963	\$2187
Services-Producing Sectors											
Transportation, Utilities	\$3235	\$3546	\$3593	\$3632	\$3815	\$3929	\$4013	\$4114	\$4234	\$4488	\$4779
Wholesale, Retail Trade	\$6732	\$7272	\$7696	\$8067	\$8793	\$9167	\$9113	\$9228	\$9803	\$10122	\$10718
Finance, Insurance, Real Estate	\$6169	\$6717	\$6872	\$7157	\$7444	\$7922	\$8474	\$8961	\$9823	\$10031	\$10469
Health Care & Social Assistance	\$3174	\$3502	\$3623	\$3763	\$3805	\$3885	\$4111	\$4441	\$4818	\$5165	\$5545
Leisure & Hospitality	\$2241	\$2473	\$2702	\$2993	\$3193	\$3540	\$3594	\$3596	\$3769	\$3832	\$4191
Business & Other Services	\$5523	\$5945	\$6327	\$6676	\$7086	\$7195	\$7476	\$7801	\$8060	\$8435	\$8997
Government	\$7920	\$8449	\$8758	\$9122	\$9618	\$10233	\$10825	\$11210	\$11786	\$12479	\$13211

Table 2-B

Description	Mississippi Econometric Model Output Growth Rates										(Percent)
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
GROSS STATE PRODUCT	8.4	6.3	4.1	4.1	4.1	4.3	1.9	2.5	4.3	4.8	6.0
Goods-producing Sectors											
Manufacturing	5.8	4.2	-2.6	2.3	0.5	4.0	-4.8	-3.2	-0.4	2.8	4.6
Durable Goods	7.4	3.3	-1.2	3.4	3.3	1.4	-5.0	-5.8	-0.1	2.0	4.9
Nondurable Goods	3.8	5.3	-4.5	0.8	-3.4	7.8	-4.5	0.3	-0.7	3.8	4.2
Contract Construction	12.2	6.2	11.7	9.2	16.4	1.0	-1.2	-0.1	8.0	-1.5	3.8
Natural Resources, Mining	1.5	1.7	23.9	10.0	-28.9	17.2	47.9	5.8	7.0	35.0	12.5
Agric, Forestry & Fishing	4.9	-17.1	28.7	-3.8	-12.6	-4.7	-7.3	11.4	-19.9	38.8	11.4
Services-producing Sectors											
Transportation, Utilities	9.2	9.6	1.3	1.1	5.0	3.0	2.1	2.5	2.9	6.0	6.5
Wholesale, Retail Trade	8.8	8.0	5.8	4.8	9.0	4.3	-0.6	1.3	6.2	3.3	5.9
Finance, Insurance, Real Estate	5.1	8.9	2.3	4.1	4.0	6.4	7.0	5.7	9.6	2.1	4.4
Health Care & Social Assistance	11.6	10.3	3.5	3.9	1.1	2.1	5.8	8.0	8.5	7.2	7.4
Leisure & Hospitality	30.5	10.3	9.3	10.8	6.7	10.9	1.5	0.1	4.8	1.7	9.4
Business & Other Services	10.0	7.6	6.4	5.5	6.1	1.5	3.9	4.4	3.3	4.7	6.7
Government	7.1	6.7	3.7	4.2	5.4	6.4	5.8	3.6	5.1	5.9	5.9

Table 3-A

Mississippi Econometric Model
Real Output

(Millions of Constant\$)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
GROSS STATE PRODUCT	\$57653	\$59589	\$60576	\$61882	\$63227	\$64627	\$64140	\$63767	\$65257	\$66781	\$69141
Goods-Producing Sectors											
Manufacturing	\$12530	\$12540	\$12091	\$12117	\$11891	\$12177	\$11445	\$10736	\$10806	\$10947	\$11140
Durable Goods	\$6914	\$7139	\$6839	\$6895	\$6980	\$6936	\$6627	\$6146	\$6130	\$6251	\$6360
Nondurable Goods	\$5614	\$5402	\$5254	\$5222	\$4904	\$5243	\$4818	\$4588	\$4673	\$4694	\$4777
Contract Construction	\$2619	\$2651	\$2865	\$2970	\$3246	\$3092	\$2866	\$2662	\$2744	\$2575	\$2530
Natural Resources, Mining	\$811	\$814	\$758	\$781	\$633	\$666	\$637	\$611	\$733	\$745	\$761
Agric. Forestry & Fishing	\$1599	\$1300	\$1517	\$1636	\$1508	\$1603	\$1584	\$1683	\$1443	\$1824	\$1879
Services-Producing Sectors											
Transportation, Utilities	\$3583	\$3879	\$3897	\$3795	\$3798	\$3893	\$4013	\$3814	\$3914	\$4151	\$4301
Wholesale, Retail Trade	\$6353	\$6765	\$7348	\$7945	\$8928	\$9250	\$9113	\$9516	\$9922	\$10189	\$10795
Finance, Insurance, Real Estate	\$7649	\$8010	\$7873	\$7862	\$7909	\$8214	\$8474	\$8668	\$9159	\$9187	\$9400
Health Care & Social Assistance	\$3836	\$4098	\$4136	\$4176	\$4070	\$4024	\$4111	\$4225	\$4434	\$4605	\$4795
Leisure & Hospitality	\$2698	\$2918	\$3114	\$3278	\$3405	\$3657	\$3595	\$3471	\$3530	\$3531	\$3817
Business & Other Services	\$6588	\$6908	\$7168	\$7331	\$7538	\$7443	\$7477	\$7573	\$7711	\$7962	\$8360
Government	\$9387	\$9708	\$9810	\$9991	\$10301	\$10608	\$10825	\$10809	\$10862	\$11066	\$11364

Table 3-B

Mississippi Econometric Model
Real Output
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
GROSS STATE PRODUCT	6.0	3.4	1.7	2.2	2.2	2.2	-0.8	-0.6	2.3	2.3	3.5
Goods-producing Sectors											
Manufacturing	4.6	0.1	-3.6	0.2	-1.9	2.4	-6.0	-6.2	0.7	1.3	1.8
Durable Goods	4.6	3.3	-4.2	0.8	1.2	-0.6	-4.5	-7.3	-0.3	2.0	1.7
Nondurable Goods	4.5	-3.8	-2.7	-0.6	-6.1	6.9	-8.1	-4.8	1.9	0.4	1.8
Contract Construction	7.2	1.2	8.1	3.7	9.3	-4.7	-7.3	-7.1	3.1	-6.2	-1.7
Natural Resources, Mining	8.3	0.3	-6.8	3.0	-18.9	5.2	-4.4	-4.1	20.0	1.6	2.1
Agric. Forestry & Fishing	7.0	-18.7	16.7	7.9	-7.8	6.3	-1.2	6.3	-14.3	26.4	3.0
Services-producing Sectors											
Transportation, Utilities	6.2	8.3	0.5	-2.6	0.1	2.5	3.1	-5.0	2.6	6.1	3.6
Wholesale, Retail Trade	6.6	6.5	8.6	8.1	12.4	3.6	-1.5	4.4	4.3	2.7	5.9
Finance, Insurance, Real Estate	1.9	4.7	-1.7	-0.1	0.6	3.9	3.2	2.3	5.7	0.3	2.3
Health Care & Social Assistance	6.5	6.8	0.9	1.0	-2.6	-1.1	2.2	2.8	4.9	3.9	4.1
Leisure & Hospitality	27.9	8.2	6.7	5.3	3.9	7.4	-1.7	-3.5	1.7	0.0	8.1
Business & Other Services	7.4	4.9	3.8	2.3	2.8	-1.3	0.5	1.3	1.8	3.3	5.0
Government	3.7	3.4	1.0	1.9	3.1	3.0	2.0	-0.1	0.5	1.9	2.7

Table 4-A

Mississippi Econometric Model
Employment

(Thousands)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Nonfarm Employment, Wage and Salary	1055.6	1074.6	1088.9	1107.2	1133.7	1153.3	1153.7	1130.1	1123.7	1114.9	1123.1
Manufacturing	244.4	241.2	230.7	228.4	233.8	232.9	222.5	200.8	188.0	179.0	179.4
Durable Goods	143.0	142.5	137.5	137.9	144.8	147.1	140.6	125.0	118.2	113.1	116.3
Nondurable Goods	101.4	98.8	93.2	90.5	89.0	85.9	81.9	75.8	69.8	65.8	63.1
Contract Construction	43.0	45.2	48.4	50.6	54.3	55.2	54.5	51.9	53.9	50.6	49.2
Natural Resources, Mining	10.1	10.3	10.8	11.4	12.0	10.4	9.4	9.6	8.9	8.8	8.8
Transportation, Utilities	40.3	41.1	42.1	42.5	43.2	44.5	45.1	45.8	45.7	45.8	46.6
Wholesale, Retail Trade	159.0	165.2	168.8	171.6	175.4	180.7	182.1	177.4	175.4	173.5	173.6
Finance, Insurance, Real Estate	41.3	41.5	42.9	43.5	44.8	45.7	45.9	45.8	45.7	45.9	45.9
Health Care & Social Assistance	79.3	83.8	86.9	90.2	91.3	90.7	92.3	95.8	98.4	101.3	103.4
Leisure & Hospitality	97.1	100.6	105.6	108.2	113.5	122.8	122.9	120.6	122.0	123.3	124.8
Business & Other Services	127.3	131.0	136.1	141.7	142.0	143.3	145.2	144.7	145.5	146.1	149.2
Government	213.8	214.7	216.8	219.0	223.4	227.1	233.8	237.5	240.1	240.8	242.2

Table 4-B

Mississippi Econometric Model
Employment
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Nonfarm Employment, Wage and Salary	5.3	1.8	1.3	1.7	2.4	1.7	0.0	-2.0	-0.6	-0.8	0.7
Manufacturing	2.2	-1.3	-4.4	-1.0	2.4	-0.4	-4.5	-9.8	-6.4	-4.8	0.2
Durable Goods	4.7	-0.4	-3.5	0.3	5.0	1.5	-4.4	-11.1	-5.5	-4.2	2.8
Nondurable Goods	-1.2	-2.6	-5.6	-2.9	-1.7	-3.5	-4.6	-7.5	-7.9	-5.7	-4.1
Contract Construction	9.2	5.1	7.0	4.6	7.3	1.7	-1.3	-4.7	3.8	-6.2	-2.7
Natural Resources, Mining	1.9	2.2	4.3	5.8	5.1	-13.2	-9.6	2.5	-7.4	-1.6	0.0
Transportation, Utilities	5.9	2.0	2.5	1.1	1.5	3.1	1.3	1.5	-0.1	0.1	1.9
Wholesale, Retail Trade	4.1	3.9	2.2	1.7	2.2	3.0	0.8	-2.6	-1.1	-1.1	0.1
Finance, Insurance, Real Estate	1.9	0.5	3.3	1.5	2.9	2.0	0.5	-0.2	-0.2	0.4	-0.0
Health Care & Social Assistance	6.6	5.6	3.7	3.8	1.2	-0.7	1.8	3.8	2.7	2.9	2.1
Leisure & Hospitality	26.1	3.7	4.9	2.5	5.0	8.2	0.1	-1.9	1.1	1.0	1.3
Business & Other Services	5.4	2.9	3.9	4.2	0.2	0.9	1.3	-0.3	0.5	0.4	2.1
Government	1.7	0.4	1.0	1.0	2.0	1.6	3.0	1.6	1.1	0.3	0.6

Table 5-A

Mississippi Econometric Model
Personal Income

(Millions of Current\$)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total Personal Income	\$43805	\$45974	\$48645	\$51514	\$54820	\$56719	\$59838	\$62739	\$64553	\$67642	\$71635
Wages & Salaries	\$22726	\$23966	\$25085	\$26577	\$28522	\$29795	\$30748	\$31081	\$31879	\$32876	\$34169
Other Labor Income	\$5474	\$5591	\$5678	\$5835	\$6158	\$6466	\$6740	\$7012	\$7742	\$8513	\$9041
Proprietors' Income	\$3421	\$3335	\$3792	\$4078	\$4154	\$4329	\$4503	\$5145	\$4569	\$5563	\$6374
Farm Proprietors	\$642	\$527	\$899	\$992	\$767	\$758	\$529	\$693	\$52	\$705	\$1134
Nonfarm Proprietors	\$2779	\$2808	\$2893	\$3085	\$3387	\$3570	\$3974	\$4452	\$4517	\$4858	\$5240
Property Income	\$6598	\$6900	\$7416	\$8017	\$8889	\$8748	\$9547	\$9783	\$9817	\$9660	\$10180
Transfer Payments	\$8402	\$9088	\$9665	\$10058	\$10315	\$10685	\$11500	\$12880	\$13862	\$14413	\$15385
Less: Social Security Payments	\$3668	\$3850	\$3977	\$4175	\$4421	\$4615	\$4707	\$4819	\$5036	\$5218	\$5474
Plus: Residence Adjustment	\$854	\$943	\$987	\$1124	\$1204	\$1311	\$1506	\$1658	\$1721	\$1836	\$1960
Less: Individual IRS Collections	\$3202	\$3429	\$3756	\$4090	\$4425	\$4550	\$4725	\$4889	\$4243	\$4031	\$4119
Less: Ind. State & Local Taxes	\$751	\$819	\$866	\$922	\$1014	\$1107	\$1127	\$1128	\$1135	\$1187	\$1299
Equals: Disposable Personal Inc.	\$39799	\$41695	\$43980	\$46467	\$49346	\$51020	\$53940	\$56671	\$59114	\$62361	\$66149

Table 5-B

Mississippi Econometric Model
Personal Income
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total Personal Income	7.9	5.0	5.8	5.9	6.4	3.5	5.5	4.8	2.9	4.8	5.9
Wages & Salaries	9.0	5.5	4.7	5.9	7.3	4.5	3.2	1.1	2.6	3.1	3.9
Other Labor Income	7.3	2.1	1.6	2.8	5.5	5.0	4.2	4.0	10.4	10.0	6.2
Proprietors' Income	9.6	-2.5	13.7	7.5	1.9	4.2	4.0	14.3	-11.2	21.8	14.6
Farm Proprietors	85.4	-17.8	70.5	10.4	-22.7	-1.1	-30.2	30.9	-92.5	1261.8	60.9
Nonfarm Proprietors	0.1	1.0	3.0	6.7	9.8	5.4	11.3	12.0	1.5	7.6	7.9
Property Income	8.9	4.6	7.5	8.1	10.9	-1.6	9.1	2.5	0.4	-1.6	5.4
Transfer Payments	5.8	8.2	6.4	4.1	2.6	3.6	7.6	12.0	7.6	4.0	6.7
Less: Social Security Payments	10.0	4.9	3.3	5.0	5.9	4.4	2.0	2.4	4.5	3.6	4.9
Plus: Residence Adjustment	0.2	10.5	4.6	14.0	7.1	8.9	14.9	10.1	3.8	6.6	6.8
Less: Individual IRS Collections	12.4	7.1	9.5	8.9	8.2	2.8	3.9	3.5	-13.2	-5.0	2.2
Less: Ind. State & Local Taxes	9.0	9.1	5.8	6.5	10.0	9.2	1.8	0.1	0.6	4.6	9.4
Equals: Disposable Personal Inc.	7.5	4.8	5.5	5.7	6.2	3.4	5.7	5.1	4.3	5.5	6.1

Table 6-A

Mississippi Econometric Model
Real Personal Income

(Millions of Constant\$)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total Personal Income	\$50618	\$51576	\$52946	\$54888	\$57651	\$58540	\$59838	\$61309	\$62281	\$63789	\$65882
Wages & Salaries	\$26260	\$26887	\$27302	\$28318	\$29995	\$30752	\$30748	\$30373	\$30757	\$31003	\$31425
Other Labor Income	\$6325	\$6272	\$6180	\$6218	\$6476	\$6674	\$6740	\$6852	\$7469	\$8028	\$8315
Proprietors' Income	\$3952	\$3742	\$4127	\$4345	\$4368	\$4467	\$4503	\$5027	\$4408	\$5246	\$5862
Farm Proprietors	\$741	\$592	\$978	\$1057	\$807	\$783	\$529	\$677	\$50	\$665	\$1043
Nonfarm Proprietors	\$3211	\$3150	\$3149	\$3287	\$3561	\$3685	\$3974	\$4350	\$4358	\$4581	\$4819
Property Income	\$7624	\$7741	\$8072	\$8542	\$9348	\$9029	\$9547	\$9560	\$9471	\$9110	\$9362
Transfer Payments	\$9709	\$10195	\$10520	\$10717	\$10848	\$11028	\$11500	\$12586	\$13374	\$13591	\$14150
Less: Social Security Payments	\$4239	\$4319	\$4328	\$4449	\$4649	\$4763	\$4707	\$4709	\$4858	\$4921	\$5034
Plus: Residence Adjustment	\$986	\$1058	\$1074	\$1198	\$1266	\$1353	\$1506	\$1620	\$1661	\$1731	\$1802
Less: Individual IRS Collections	\$3700	\$3846	\$4088	\$4358	\$4653	\$4696	\$4725	\$4778	\$4093	\$3801	\$3788
Less: Ind. State & Local Taxes	\$868	\$919	\$943	\$983	\$1067	\$1143	\$1127	\$1102	\$1095	\$1120	\$1195
Equals: Disposable Personal Inc.	\$45989	\$46776	\$47869	\$49511	\$51894	\$52657	\$53940	\$55380	\$57033	\$58808	\$60837

Table 6-B

Mississippi Econometric Model
Real Personal Income
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total Personal Income	5.0	1.9	2.7	3.7	5.0	1.5	2.2	2.5	1.6	2.4	3.3
Wages & Salaries	6.0	2.4	1.5	3.7	5.9	2.5	-0.0	-1.2	1.3	0.8	1.4
Other Labor Income	4.4	-0.8	-1.5	0.6	4.2	3.1	1.0	1.7	9.0	7.5	3.6
Proprietors' Income	6.6	-5.3	10.3	5.3	0.5	2.3	0.8	11.6	-12.3	19.0	11.7
Farm Proprietors	80.4	-20.2	65.4	8.1	-23.7	-3.0	-32.4	28.0	-92.6	1231.1	56.9
Nonfarm Proprietors	-2.6	-1.9	-0.1	4.4	8.3	3.5	7.8	9.5	0.2	5.1	5.2
Property Income	6.0	1.5	4.3	5.8	9.4	-3.4	5.7	0.1	-0.9	-3.8	2.8
Transfer Payments	3.0	5.0	3.2	1.9	1.2	1.7	4.3	9.4	6.3	1.6	4.1
Less: Social Security Payments	7.0	1.9	0.2	2.8	4.5	2.4	-1.2	0.1	3.2	1.3	2.3
Plus: Residence Adjustment	-2.5	7.3	1.5	11.6	5.7	6.8	11.3	7.6	2.5	4.2	4.1
Less: Individual IRS Collections	9.3	4.0	6.3	6.6	6.8	0.9	0.6	1.1	-14.3	-7.1	-0.3
Less: Ind. State & Local Taxes	6.1	5.9	2.6	4.2	8.5	7.1	-1.3	-2.2	-0.7	2.2	6.7
Equals: Disposable Personal Inc.	4.6	1.7	2.3	3.4	4.8	1.5	2.4	2.7	3.0	3.1	3.4

Table 7-B

Mississippi Econometric Model
Selected Indicators--Fiscal Years

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross State Product(Mill \$)	\$48409	\$51939	\$54601	\$56819	\$59151	\$61641	\$63534	\$64929	\$67138	\$70211	\$74039
Gross State Product(Mill Constant\$)	\$56028	\$58621	\$60083	\$61229	\$62554	\$63927	\$64383	\$63953	\$64512	\$66019	\$67961
Gross State Product Deflator	0.86	0.89	0.91	0.93	0.95	0.96	0.99	1.02	1.04	1.06	1.09
Total Employment,Residents(Thous)	1143.4	1167.6	1181.1	1193.9	1206.2	1217.6	1233.8	1237.0	1224.5	1228.1	1242.6
Civilian Labor Force(Thous)	1226.9	1250.1	1262.1	1272.3	1279.7	1286.5	1304.9	1310.7	1305.1	1314.3	1326.0
Unemployment Rate(Percent)	6.8	6.6	6.4	6.2	5.7	5.4	5.4	5.6	6.2	6.6	6.1
Total Personal Income(Mill \$)	\$42200	\$44889	\$47310	\$50079	\$53167	\$55769	\$58278	\$61288	\$63646	\$66098	\$69638
Total Personal Inc.(Mill 1996\$)	\$49413	\$51097	\$52261	\$53917	\$56269	\$58095	\$59189	\$60573	\$61795	\$63035	\$64835
Per Capita Income (\$)	\$15765	\$16567	\$17273	\$18102	\$19027	\$19782	\$20519	\$21471	\$22217	\$22968	\$24054
Per Capita Income(1996\$)	\$18461	\$18860	\$19082	\$19491	\$20138	\$20607	\$20841	\$21221	\$21571	\$21904	\$22396
Consumer Price Deflator (South)	0.85	0.88	0.91	0.93	0.94	0.96	0.98	1.01	1.03	1.05	1.07
Population (Mill)	2.68	2.71	2.74	2.77	2.79	2.82	2.84	2.85	2.86	2.88	2.89

Table 7-B

Mississippi Econometric Model
Selected Indicators
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross State Product(Nominal)	7.7	7.3	5.1	4.1	4.1	4.2	3.1	2.2	3.4	4.6	5.5
Gross State Product(Real)	5.0	4.6	2.5	1.9	2.2	2.2	0.7	-0.7	0.9	2.3	2.9
Gross State Product Deflator	2.6	2.6	2.6	2.1	1.9	2.0	2.4	2.9	2.5	2.2	2.4
Total Employment, Residents	2.8	2.1	1.2	1.1	1.0	0.9	1.3	0.3	-1.0	0.3	1.2
Civilian Labor Force	1.9	1.9	1.0	0.8	0.6	0.5	1.4	0.4	-0.4	0.7	0.9
Unemployment Rate	-11.1	-3.1	-2.8	-3.9	-6.8	-6.8	1.6	3.4	9.7	6.3	-7.7
Total Personal Income(Nominal)	7.1	6.4	5.4	5.9	6.2	4.9	4.5	5.2	3.8	3.9	5.4
Total Personal Income(Real)	4.0	3.4	2.3	3.2	4.4	3.2	1.9	2.3	2.0	2.0	2.9
Per Capita Income(Nominal)	5.8	5.1	4.3	4.8	5.1	4.0	3.7	4.6	3.5	3.4	4.7
Per Capita Income(Real)	2.8	2.2	1.2	2.1	3.3	2.3	1.1	1.8	1.7	1.5	2.2
Consumer Price Deflator (South)	3.0	2.9	3.0	2.6	1.7	1.6	2.6	2.8	1.8	1.8	2.4
Population	1.2	1.2	1.1	1.0	1.0	0.9	0.7	0.5	0.4	0.5	0.6

Table 8-A

U.S. Economic Indicators
Global Insight, Inc.--November 2005

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross Domestic Product(Bill \$)	\$7072	\$7398	\$7817	\$8304	\$8747	\$9268	\$9817	\$10128	\$10470	\$10971	\$11734
Gross Domestic Product(Bill Constant\$)	\$7835	\$8032	\$8329	\$8704	\$9067	\$9470	\$9817	\$9891	\$10049	\$10321	\$10756
GDP Price Deflator	90.3	92.1	93.9	95.4	96.5	97.9	100.0	102.4	104.2	106.3	109.1
Total Civilian Employment(Mill)	123.1	124.9	126.7	129.6	131.5	133.5	136.9	136.9	136.5	137.7	139.2
Unemployment Rate(Percent)	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5
Personal Income(Bill \$)	\$5843	\$6152	\$6521	\$6915	\$7423	\$7802	\$8430	\$8724	\$8882	\$9169	\$9713
Prime Rate(Percent)	7.1	8.8	8.3	8.4	8.4	8.0	9.2	6.9	4.7	4.1	4.3
30-Year Mortgage Rate(Percent)	8.4	8.0	7.8	7.6	6.9	7.4	8.1	7.0	6.5	5.8	5.8
State and Local Receipts(Bill \$)	\$644	\$672	\$710	\$750	\$795	\$840	\$893	\$916	\$929	\$973	\$1048
Consumer Price Index(1982=100)	148.2	152.4	156.9	160.5	163.0	166.6	172.2	177.1	179.8	184.0	188.9
Per Capita Income (\$)	\$22143	\$23044	\$24140	\$25296	\$26841	\$27893	\$29808	\$30534	\$30776	\$31467	\$33027

Table 8-B

U.S. Economic Indicators
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross Domestic Product(Nominal)	6.2	4.6	5.7	6.2	5.3	6.0	5.9	3.2	3.4	4.8	7.0
Gross Domestic Product(Real)	4.0	2.5	3.7	4.5	4.2	4.4	3.7	0.8	1.6	2.7	4.2
GDP Price Deflator	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	2.0	2.6
Total Civilian Employment	2.3	1.5	1.5	2.3	1.5	1.5	2.5	0.0	-0.3	0.9	1.1
Unemployment Rate	-11.7	-8.3	-3.3	-8.6	-8.9	-6.3	-5.9	19.7	21.8	3.6	-7.8
Personal Income	5.1	5.3	6.0	6.1	7.3	5.1	8.0	3.5	1.8	3.2	5.9
Prime Rate	19.0	23.7	-6.3	2.1	-1.0	-4.3	15.5	-25.0	-32.5	-11.8	5.3
30-Year Mortgage Rate,	14.1	-4.9	-1.9	-2.7	-8.6	7.0	8.5	-13.5	-6.2	-11.0	0.4
State and Local Receipts	6.5	4.3	5.6	5.7	6.0	5.7	6.3	2.5	1.4	4.7	7.7
Consumer Price Index	2.6	2.8	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.7
Per Capita Income	3.8	4.1	4.8	4.8	6.1	3.9	6.9	2.4	0.8	2.2	5.0

Table 9-A

U.S. Economic Indicators--Fiscal Years
Global Insight, Inc.--November 2005

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross Domestic Product(Bill \$)	\$6865	\$7235	\$7607	\$8061	\$8526	\$9008	\$9543	\$9972	\$10299	\$10720	\$11353
Gross Domestic Product(Bill Constant\$)	\$7684	\$7934	\$8180	\$8516	\$8885	\$9269	\$9644	\$9854	\$9970	\$10185	\$10538
GDP Price Deflator	89.3	91.2	93.0	94.6	95.9	97.2	98.9	101.2	103.3	105.3	107.7
Total Civilian Employment(Mill)	121.7	124.0	125.8	128.1	130.5	132.5	135.2	136.9	136.7	137.1	138.5
Unemployment Rate(Percent)	6.5	5.8	5.5	5.2	4.7	4.4	4.1	4.4	5.3	5.9	5.8
Personal Income(Bill \$)	\$5701	\$5997	\$6336	\$6718	\$7169	\$7613	\$8116	\$8577	\$8803	\$9026	\$9441
Prime Rate (Percent)	6.6	8.0	8.6	8.4	8.4	8.2	8.6	8.1	5.8	4.4	4.2
Effective Mortgage Rate (Percent)	7.8	8.2	7.9	7.7	7.3	7.2	7.7	7.5	6.8	6.2	5.8
State and Local Receipts(Bill \$)	\$624	\$658	\$691	\$730	\$772	\$818	\$867	\$905	\$922	\$951	\$1010
Consumer Price Index(1982=100)	146.4	150.3	154.6	158.7	161.8	164.8	169.4	174.6	178.5	181.9	186.4
Per Capita Income (\$)	\$21733	\$22594	\$23592	\$24718	\$26069	\$27367	\$28850	\$30171	\$30655	\$31121	\$32247

Table 9-B

U.S. Economic Indicators
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross Domestic Product(Nominal)	5.7	5.4	5.1	6.0	5.8	5.7	5.9	4.5	3.3	4.1	5.9
Gross Domestic Product(Real)	3.4	3.2	3.1	4.1	4.3	4.3	4.0	2.2	1.2	2.2	3.5
GDP Price Deflator	2.2	2.1	2.0	1.8	1.4	1.3	1.8	2.3	2.1	1.9	2.3
Total Civilian Employment	1.9	1.9	1.5	1.9	1.9	1.5	2.0	1.3	-0.2	0.3	1.0
Unemployment Rate	-9.7	-10.1	-5.9	-5.9	-8.8	-7.7	-6.1	6.5	20.8	11.8	-2.2
Personal Income	4.4	5.2	5.7	6.0	6.7	6.2	6.6	5.7	2.6	2.5	4.6
Prime Rate	7.2	21.5	7.1	-2.3	0.5	-2.7	5.4	-6.2	-28.2	-24.1	-3.8
Mortgage Rate, Effective	-0.3	4.0	-3.4	-2.3	-5.6	-1.1	7.8	-3.0	-10.1	-8.5	-5.6
State and Local Receipts	5.4	5.4	5.0	5.6	5.8	5.9	6.0	4.3	2.0	3.1	6.2
Consumer Price Index	2.8	2.7	2.9	2.6	1.9	1.9	2.8	3.1	2.2	1.9	2.5
Per Capita Income	3.1	4.0	4.4	4.8	5.5	5.0	5.4	4.6	1.6	1.5	3.6

Table 10-A

General Fund Transfers, Other Revenues
Fiscal Years

(Millions of Current\$)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sales Tax	\$1063.8	\$1078.4	\$1141.6	\$1227.9	\$1310.6	\$1371.1	\$1383.5	\$1409.3	\$1432.6	\$1492.8	\$1583.5
Use Tax	\$152.6	\$138.6	\$146.9	\$151.7	\$170.0	\$158.9	\$159.5	\$158.3	\$149.9	\$154.3	\$157.4
Individual Income Tax	\$684.3	\$741.2	\$791.0	\$881.6	\$973.9	\$1005.0	\$1033.8	\$994.3	\$1020.0	\$1061.5	\$1165.9
Corporate Tax	\$264.5	\$262.0	\$291.8	\$286.3	\$298.1	\$295.7	\$273.7	\$254.3	\$288.8	\$315.5	\$361.3
Tobacco Tax	\$56.1	\$56.4	\$56.7	\$57.4	\$57.0	\$56.4	\$55.5	\$55.6	\$55.6	\$55.6	\$56.0
Beer and Wine Tax	\$28.2	\$28.2	\$28.6	\$28.8	\$31.0	\$30.8	\$30.3	\$30.6	\$30.2	\$30.4	\$30.2
Auto Tag Fees	\$9.1	\$9.4	\$9.7	\$10.8	\$11.1	\$10.3	\$10.1	\$10.4	\$11.5	\$12.5	\$12.6
Total Severance Tax*	\$17.5	\$17.0	\$20.4	\$18.3	\$10.2	\$15.0	\$10.0	\$0.0	\$0.0	\$0.0	\$10.0
Insurance Department	\$82.6	\$86.6	\$91.2	\$93.9	\$93.7	\$96.3	\$102.5	\$110.0	\$120.4	\$132.8	\$135.6
Liquor Transfers	\$36.3	\$37.1	\$38.1	\$39.6	\$41.1	\$42.4	\$43.2	\$44.8	\$46.3	\$47.6	\$50.5
Other Tax Commission Transfers	\$160.1	\$145.4	\$153.4	\$169.7	\$194.9	\$203.0	\$235.4	\$221.9	\$211.0	\$207.5	\$204.8
(Gaming Fees, Taxes)	\$128.7	\$110.5	\$119.6	\$126.9	\$141.8	\$158.2	\$161.6	\$164.8	\$166.1	\$167.3	\$168.5
Total Tax Commission Transfers	\$2555.2	\$2600.3	\$2769.5	\$2966.0	\$3191.4	\$3284.9	\$3337.5	\$3289.4	\$3366.3	\$3510.5	\$3767.8

Table 10-B

General Fund Transfers, Other Revenues
Growth Rates

(Percent)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sales Tax	5.0	1.4	5.9	7.6	6.7	4.6	0.9	1.9	1.7	4.2	6.1
Use Tax	8.8	-9.1	6.0	3.3	12.1	-6.5	0.3	-0.8	-5.3	2.9	2.0
Individual Income Tax	8.1	8.3	6.7	11.5	10.5	3.2	2.9	-3.8	2.6	4.1	9.8
Corporate Tax	21.2	-1.0	11.4	-1.9	4.1	-0.8	-7.4	-7.1	13.6	9.3	14.5
Tobacco Tax	3.6	0.5	0.6	1.2	-0.7	-1.0	-1.6	0.2	-0.1	0.0	0.8
Beer and Wine	1.2	-0.2	1.3	0.8	7.6	-0.6	-1.8	1.2	-1.3	0.5	-0.6
Auto Tag Fees	-8.1	3.5	3.3	10.9	2.6	-7.3	-1.9	3.3	10.8	8.7	0.7
Total Severance Tax*	-18.3	-3.0	20.4	-10.4	-44.5	47.6	-33.3	-100.0	...	...	...
Insurance Department	37.7	4.8	5.3	3.0	-0.3	2.8	6.4	7.3	9.5	10.3	2.1
Liquor Transfers	2.7	2.3	2.8	3.8	3.7	3.2	2.0	3.6	3.3	2.8	6.1
Other Tax Commission Transfers	30.8	-9.2	5.5	10.6	14.8	4.2	16.0	-5.8	-4.9	-1.6	-1.3
(Gaming Fees, Taxes)	35.6	-14.2	8.2	6.1	11.7	11.6	2.1	2.0	0.8	0.7	0.7
Total Tax Commission Transfers	9.4	1.8	6.5	7.1	7.6	2.9	1.6	-1.4	2.3	4.3	7.3

*100% of severance taxes are diverted to special funds under SB2680 until 2005.

Description	Fiscal Years										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Public Education	\$1362.9	\$1444.9	\$1653.2	\$1634.4	\$1741.8	\$1837.2	\$2023.3	\$2088.1	\$2151.6	\$2314.4	\$2512.7
Higher Education	\$377.9	\$417.9	\$552.1	\$552.1	\$623.4	\$668.5	\$770.2	\$726.3	\$669.5	\$668.8	\$699.5
Health and Social Welfare	\$1962.2	\$2031.8	\$2125.0	\$2360.2	\$2352.9	\$2505.2	\$2860.9	\$3203.1	\$3659.8	\$3998.4	\$4358.1
Hospitals/Hospital Schools	\$202.6	\$230.7	\$257.9	\$278.8	\$304.3	\$354.5	\$414.5	\$429.4	\$435.6	\$444.5	\$462.8
Corrections and Justice	\$142.6	\$164.7	\$202.6	\$241.3	\$262.2	\$284.2	\$320.2	\$324.8	\$328.2	\$341.4	\$362.5
Agric/Commerce/EconDev	\$204.8	\$241.5	\$253.9	\$249.0	\$296.9	\$286.4	\$319.9	\$363.7	\$341.3	\$442.6	\$418.9
Local Assistance	\$434.6	\$519.5	\$603.6	\$680.5	\$724.0	\$767.3	\$844.5	\$853.8	\$850.7	\$869.5	\$896.7
Public Works	\$566.6	\$616.4	\$856.9	\$917.9	\$1016.8	\$1018.5	\$1106.5	\$961.6	\$1103.0	\$1099.9	\$1112.1
Other	\$616.2	\$670.6	\$651.9	\$771.2	\$869.6	\$986.7	\$878.7	\$1304.0	\$1699.6	\$1767.5	\$1489.4
Total	\$5870.4	\$6338.0	\$7157.1	\$7685.4	\$8191.9	\$8708.5	\$9538.7	\$10254.8	\$11239.3	\$11947.0	\$12312.7

Description	Growth Rates										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Public Education	6.0	6.0	14.4	-1.1	6.6	5.5	10.1	3.2	3.0	7.6	8.6
Higher Education	6.4	10.6	32.1	0.0	12.9	7.2	15.2	-5.7	-7.8	-0.1	4.6
Health and Social Welfare	12.9	3.5	4.6	11.1	-0.3	6.5	14.2	12.0	14.3	9.3	9.0
Hospitals/Hospital Schools	13.5	13.9	11.8	8.1	9.1	16.5	16.9	3.6	1.4	2.0	4.1
Corrections and Justice	23.6	15.5	23.0	19.1	8.7	8.4	12.7	1.4	1.0	4.0	6.2
Agric/Commerce/EconDev	15.4	17.9	5.1	-1.9	19.2	-3.5	11.7	13.7	-6.2	29.7	-5.4
Local Assistance	11.2	19.5	16.2	12.7	6.4	6.0	10.1	1.1	-0.4	2.2	3.1
Public Works	2.3	8.8	39.0	7.1	10.8	0.2	8.6	-13.1	14.7	-0.3	1.1
Other	9.6	8.8	-2.8	18.3	12.8	13.5	-10.9	48.4	30.3	4.0	-15.7
Total	9.6	8.0	12.9	7.4	6.6	6.3	9.5	7.5	9.6	6.3	3.1

Table 12-A

Mississippi Econometric Model
Average Annual Wage Rates

(Thousands of Current\$)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	\$20.6	\$21.4	\$22.1	\$23.1	\$24.2	\$24.9	\$25.7	\$26.3	\$27.1	\$28.1	\$29.0
Manufacturing	\$23.2	\$23.9	\$24.9	\$26.0	\$27.2	\$28.1	\$29.1	\$29.6	\$30.6	\$32.2	\$33.5
Construction and Mining	\$21.7	\$21.7	\$22.7	\$23.8	\$25.8	\$26.4	\$26.7	\$28.6	\$29.9	\$29.7	\$29.6
Aeric, Forestry & Fishing	\$11.7	\$10.3	\$11.3	\$11.6	\$14.3	\$15.3	\$15.2	\$20.7	\$20.9	\$23.2	\$23.4
Transportation, Utilities	\$26.9	\$28.1	\$28.7	\$30.0	\$30.6	\$31.1	\$33.3	\$34.4	\$35.3	\$36.5	\$37.9
Retail Trade	\$14.9	\$15.2	\$15.8	\$16.4	\$17.2	\$17.8	\$18.1	\$18.6	\$19.0	\$19.8	\$20.2
Wholesale Trade	\$28.2	\$29.2	\$30.2	\$31.3	\$33.4	\$34.6	\$35.8	\$36.0	\$37.1	\$38.5	\$40.6
Finance, Insurance, Real Estate	\$23.9	\$24.8	\$25.5	\$26.6	\$28.6	\$28.9	\$30.6	\$31.9	\$33.2	\$34.2	\$36.0
Health & Education Services	\$21.3	\$22.3	\$23.4	\$24.6	\$26.0	\$26.7	\$27.7	\$28.4	\$29.6	\$30.7	\$31.7
Leisure & Hospitality	\$11.4	\$12.0	\$12.6	\$13.2	\$13.9	\$14.3	\$14.9	\$15.8	\$15.8	\$15.9	\$16.3
Professional & Business Services	\$21.4	\$22.4	\$23.5	\$24.7	\$26.1	\$26.8	\$27.8	\$29.8	\$31.0	\$32.0	\$32.5
Info Services	\$37.0	\$36.6	\$34.5	\$35.5	\$35.3	\$36.0	\$35.2	\$36.4	\$35.3	\$35.0	\$36.7
Other Services	\$19.6	\$20.6	\$21.6	\$22.6	\$23.9	\$24.6	\$25.5	\$25.8	\$27.4	\$28.6	\$28.7
Government	\$20.6	\$22.0	\$22.7	\$23.5	\$24.4	\$25.4	\$26.1	\$26.3	\$27.0	\$28.4	\$29.3

Table 12-B

Mississippi Econometric Model
Average Annual Wage Rates
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	3.7	3.8	3.4	4.3	4.9	2.6	3.2	2.7	3.0	3.6	3.1
Manufacturing	3.9	2.9	4.2	4.8	4.3	3.6	3.2	1.8	3.4	5.2	4.2
Construction & Mining	3.7	0.0	4.5	5.1	8.3	2.1	1.2	7.2	4.6	-0.5	-0.6
Aeric, Forestry & Fishing	12.6	-12.1	9.7	2.5	23.1	7.1	-0.2	35.9	0.8	11.0	1.1
Transportation, Utilities	3.0	4.6	2.1	4.5	2.1	1.6	7.0	3.2	2.7	3.2	3.9
Retail Trade	2.3	2.1	3.4	4.3	4.6	3.6	1.5	2.7	2.5	3.9	2.3
Wholesale Trade	4.4	3.7	3.2	3.7	6.9	3.6	3.4	0.4	3.0	4.0	5.4
Finance, Insurance, Real Estate	2.9	3.9	2.7	4.6	7.3	1.2	5.7	4.4	4.0	3.0	5.4
Health & Education Services	6.7	4.8	5.0	4.8	5.7	2.7	4.0	2.4	4.4	3.6	3.1
Leisure & Hospitality	6.7	4.8	5.0	4.8	5.7	2.7	4.0	5.9	0.2	0.9	2.1
Professional & Business Services	6.7	4.8	5.0	4.8	5.7	2.7	4.0	7.2	3.7	3.3	1.7
Info Services	3.6	-1.2	-5.7	2.9	-0.6	2.1	-2.3	3.5	-3.2	-0.8	5.0
Other Services	6.7	4.8	5.0	4.8	5.7	2.7	4.0	0.9	6.5	4.1	0.6
Government	5.2	6.9	3.0	3.4	4.2	3.9	2.8	0.6	2.6	5.5	3.1

Table 13-A

Description	Mississippi Econometric Model Average Annual Real Wage Rates										(Thousands of Constant\$)
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		2004
Total(2000\$)	\$23.8	\$24.0	\$24.1	\$24.6	\$25.5	\$25.7	\$25.7	\$25.7	\$26.2	\$26.5	\$26.6
Manufacturing	\$26.8	\$26.8	\$27.0	\$27.7	\$28.6	\$29.0	\$29.1	\$28.9	\$29.5	\$30.3	\$30.8
Construction and Mining	\$25.1	\$24.4	\$24.7	\$25.4	\$27.2	\$27.2	\$26.7	\$27.9	\$28.9	\$28.1	\$27.2
Agric. Forestry & Fishing	\$13.5	\$11.5	\$12.3	\$12.3	\$15.0	\$15.8	\$15.2	\$20.2	\$20.1	\$21.8	\$21.5
Transportation, Utilities	\$31.1	\$31.6	\$31.3	\$32.0	\$32.2	\$32.1	\$33.3	\$33.6	\$34.1	\$34.4	\$34.8
Retail Trade	\$17.3	\$17.1	\$17.2	\$17.5	\$18.1	\$18.4	\$18.1	\$18.1	\$18.4	\$18.6	\$18.6
Wholesale Trade	\$32.6	\$32.8	\$32.8	\$33.3	\$35.2	\$35.7	\$35.8	\$35.1	\$35.7	\$36.4	\$37.4
Finance, Insurance, Real Estate	\$27.6	\$27.8	\$27.7	\$28.4	\$30.1	\$29.9	\$30.6	\$31.2	\$32.0	\$32.3	\$33.2
Health & Education Services	\$24.6	\$25.0	\$25.5	\$26.2	\$27.3	\$27.5	\$27.7	\$27.7	\$28.6	\$28.9	\$29.1
Leisure & Hospitality	\$13.2	\$13.4	\$13.7	\$14.1	\$14.7	\$14.8	\$14.9	\$15.4	\$15.2	\$15.0	\$15.0
Professional & Business Services	\$24.7	\$25.2	\$25.6	\$26.3	\$27.4	\$27.6	\$27.8	\$29.2	\$29.9	\$30.1	\$29.9
Info Services	\$42.8	\$41.0	\$37.5	\$37.8	\$37.1	\$37.2	\$35.2	\$35.6	\$34.0	\$33.0	\$33.8
Other Services	\$22.7	\$23.1	\$23.5	\$24.1	\$25.2	\$25.4	\$25.5	\$25.2	\$26.5	\$26.9	\$26.4
Government	\$23.8	\$24.7	\$24.7	\$25.0	\$25.7	\$26.2	\$26.1	\$25.7	\$26.0	\$26.8	\$27.0

Table 13-B

Description	Mississippi Econometric Model Average Annual Real Wage Rates Growth Rates										(Percent)
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		2004
Total (2000\$)	0.9	0.8	0.3	2.1	3.5	0.7	-0.0	0.3	1.6	1.3	0.5
Manufacturing	1.1	-0.1	1.1	2.6	3.0	1.7	0.0	-0.5	2.1	2.8	1.6
Construction & Mining	0.9	-2.9	1.4	2.9	6.9	0.2	-2.0	4.7	3.3	-2.8	-3.1
Agric. Forestry & Fishing	9.5	-14.7	6.5	0.4	21.5	5.1	-3.3	32.8	-0.5	8.5	-1.4
Transportation, Utilities	0.3	1.6	-0.9	2.3	0.8	-0.3	3.7	0.8	1.4	0.9	1.3
Retail Trade	-0.5	-0.9	0.3	2.1	3.2	1.7	-1.7	0.3	1.2	1.5	-0.2
Wholesale Trade	1.6	0.7	0.1	1.5	5.5	1.7	0.2	-1.9	1.7	1.7	2.8
Finance, Insurance, Real Estate	0.1	0.9	-0.4	2.4	5.9	-0.7	2.4	2.0	2.7	0.7	2.8
Health & Education Services	3.8	1.8	1.9	2.6	4.3	0.8	0.7	0.1	3.1	1.2	0.6
Leisure & Hospitality	3.8	1.8	1.9	2.6	4.3	0.8	0.7	3.4	-1.1	-1.4	-0.4
Professional & Business Services	3.8	1.8	1.9	2.6	4.3	0.8	0.7	4.7	2.4	0.9	-0.8
Info Services	0.8	-4.1	-8.6	0.7	-1.9	0.2	-5.3	1.2	-4.4	-3.1	2.4
Other Services	3.8	1.8	1.9	2.6	4.3	0.8	0.7	-1.4	5.1	1.7	-1.9
Government	2.4	3.8	-0.1	1.2	2.8	2.0	-0.4	-1.7	1.3	3.1	0.6

Table 14-A

Mississippi Econometric Model
Employment by Industry

(Thousands)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	1080.0	1101.1	1116.1	1135.8	1158.9	1179.0	1179.2	1154.2	1146.9	1135.9	1145.5
Manufacturing	244.4	241.2	230.7	228.4	233.8	232.9	222.5	200.8	188.0	179.0	179.4
Construction	43.0	45.2	48.4	50.6	54.3	55.2	54.5	51.9	53.9	50.6	49.2
Natural Resources & Mining	10.1	10.3	10.8	11.4	12.0	10.4	9.4	9.6	8.9	8.8	8.8
Agric. Forestry & Fishing	24.4	26.5	27.2	28.6	25.2	25.7	25.5	24.2	23.2	21.0	21.1
Transportation, Utilities	40.3	41.1	42.1	42.5	43.2	44.5	45.1	45.8	45.7	45.8	46.6
Retail Trade	125.3	130.3	133.8	136.1	138.6	144.1	145.1	142.1	140.4	138.7	138.6
Wholesale Trade	33.7	34.9	35.0	35.5	36.9	36.6	36.9	35.3	35.0	34.9	35.0
Finance, Insurance, Real Estate	41.3	41.5	42.9	43.5	44.8	45.7	45.9	45.8	45.7	45.9	45.9
Health & Education Services	91.5	96.6	99.0	102.6	104.1	103.1	105.1	109.9	112.9	115.8	119.0
Leisure & Hospitality	97.1	100.6	105.6	108.2	113.5	122.8	122.9	120.6	122.0	123.3	124.8
Professional & Business Services	67.8	69.5	74.2	77.8	78.5	79.6	79.4	76.8	77.7	78.9	82.8
Info Services	13.6	14.3	14.9	15.3	15.8	16.5	17.4	17.0	16.1	15.1	14.5
Other Services	33.8	34.4	34.9	36.2	34.9	34.8	35.6	36.9	37.3	37.6	37.7
Government	213.8	214.7	216.8	219.0	223.4	227.1	233.8	237.5	240.1	240.8	242.2

Table 14-B

Mississippi Econometric Model
Employment by Industry
Growth Rates

(Percent)

Description	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	4.8	2.0	1.4	1.8	2.0	1.7	0.0	-2.1	-0.6	-1.0	0.8
Manufacturing	2.2	-1.3	-4.4	-1.0	2.4	-0.4	-4.5	-9.8	-6.4	-4.8	0.2
Construction	9.2	5.1	7.0	4.6	7.3	1.7	-1.3	-4.7	3.8	-6.2	-2.7
Natural Resources & Mining	1.9	2.2	4.3	5.8	5.1	-13.2	-9.6	2.5	-7.4	-1.6	0.0
Agric. Forestry & Fishing	-13.5	8.6	2.9	5.1	-12.1	2.1	-0.9	-5.0	-4.0	-9.6	0.4
Transportation, Utilities	5.9	2.0	2.5	1.1	1.5	3.1	1.3	1.5	-0.1	0.1	1.9
Retail Trade	4.6	4.0	2.7	1.7	1.8	4.0	0.7	-2.1	-1.2	-1.2	-0.0
Wholesale Trade	2.2	3.4	0.2	1.6	3.8	-0.7	0.9	-4.3	-0.9	-0.5	0.5
Finance, Insurance, Real Estate	1.9	0.5	3.3	1.5	2.9	2.0	0.5	-0.2	-0.2	0.4	-0.0
Health & Education Services	6.0	5.6	2.5	3.7	1.5	-1.0	2.0	4.6	2.7	2.6	2.8
Leisure & Hospitality	26.1	3.7	4.9	2.5	5.0	8.2	0.1	-1.9	1.1	1.0	1.3
Professional & Business Services	8.1	2.5	6.8	4.9	0.9	1.3	-0.3	-3.3	1.2	1.5	5.0
Info Services	3.9	5.0	4.4	2.7	3.4	4.6	5.1	-2.3	-5.2	-6.2	-3.8
Other Services	2.0	1.9	1.4	3.8	-3.7	-0.2	2.3	3.4	1.2	0.8	0.2
Government	1.7	0.4	1.0	1.0	2.0	1.6	3.0	1.6	1.1	0.3	0.6

Table 15-A

Mississippi Econometric Model
More Indicators

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Federal Expenditures (Mill \$)	\$14233	\$15184	\$15091	\$15314	\$16488	\$18358	\$20277	\$21308	\$21741	\$23624
Poverty Rate (Percent) *	22.7	21.3	20.2	18.3	19.9	18.2	19.3	18.4	16.2	17.7
Total Retail Sales (Mill \$)	\$25796	\$26912	\$28678	\$30670	\$33383	\$34548	\$34780	\$35256	\$36206	\$38195
Merchandise Retail Sales (Mill \$)	\$3867	\$4065	\$4245	\$4542	\$4884	\$5335	\$5593	\$5890	\$6137	\$6525
Total Exports (Mill \$) **	...	...	\$2290.2	\$2285.8	\$2215.7	\$2725.6	\$3557.4	\$3058.0	\$2558.3	\$3179.4

Table 15-B

Mississippi Econometric Model

(Percent)

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Federal Expenditures	1.1	6.7	-0.6	1.5	7.7	11.3	10.5	5.1	2.0	8.7
Poverty Rate	-1.7	-6.2	-5.2	-9.4	8.7	-8.5	6.0	-4.7	-12.0	9.3
Total Retail Sales	7.2	4.3	6.6	6.9	8.8	3.5	0.7	1.4	2.7	5.5
Merchandise Retail Sales	7.5	5.1	4.4	7.0	7.5	9.2	4.8	5.3	4.2	6.3
Total Exports	40.3	0.6	-12.7	-0.2	-3.1	23.0	30.5	-14.0	-16.3	24.3

* 3-year average, except that
1999 is Census 2000 data.

**Origin of Movement Series
U.S. Census Bureau