

MISSISSIPPI'S BUSINESS

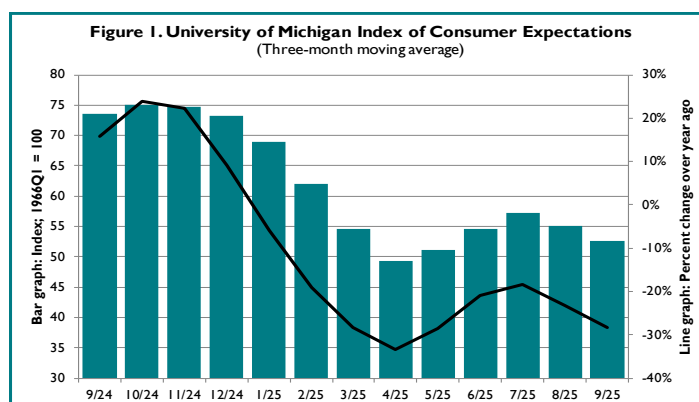
VOLUME 83, ISSUE 11 NOVEMBER 2025

A Publication of the University Research Center, Mississippi Institutions of Higher Learning

EDITOR'S NOTE: Due to the federal government shutdown, most economic data used in *Mississippi's Business* is unavailable for September. This abbreviated issue discusses data available at the time of publication.

UNIVERSITY OF MICHIGAN INDEX OF CONSUMER EXPECTATIONS

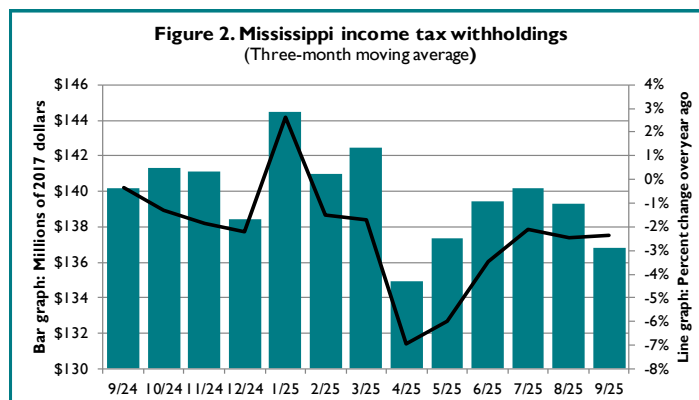
The value of the University of Michigan Index of Consumer Expectations (three-month moving average) fell 4.5 percent in September, the second consecutive monthly decline. Compared to one year ago the value for the month was 28.4 percent lower, the largest year-over-year decrease since May. Consumers are anxious about the economy on multiple fronts: inflation creeping higher, an ongoing federal government shutdown, and a weakening labor market. Relatively low gasoline prices are one of the few positives from the consumer viewpoint. Despite the low level of expectations, consumer spending remains relatively robust. However, the value of the Index will likely remain depressed until some of the issues noted above improve.



Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI INCOME TAX WITHHOLDINGS

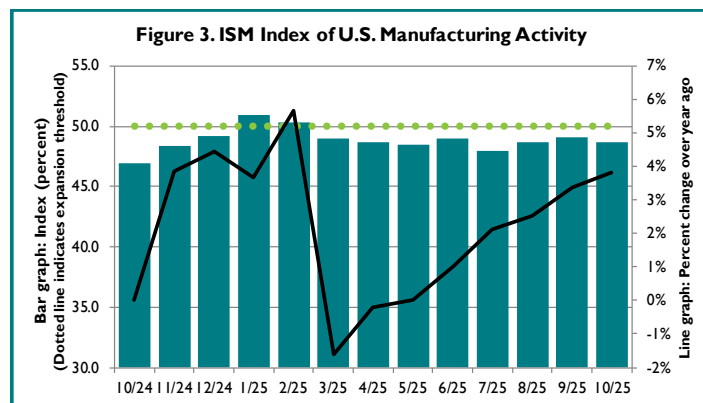
Mississippi income tax withholdings (three-month moving average) decreased in value by 1.8 percent in September. The value for the month was down 2.4 percent compared to one year ago, the eighth consecutive month with a year-over-year decrease. Over the last six months the value of income tax withholdings in Mississippi fell 4.0 percent.



Source: Mississippi Department of Revenue; seasonally adjusted

ISM INDEX OF U.S. MANUFACTURING ACTIVITY

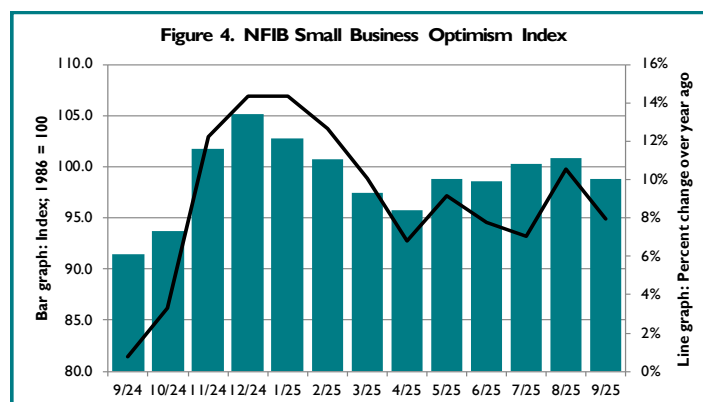
In October the value of the ISM Index of U.S. Manufacturing Activity fell 0.8 percent, giving back the gain of the previous month. Compared to one year ago the value for the month was 3.8 percent higher. Three of the five components increased in value in October and the largest increase occurred in the Supplier Deliveries component. The largest decrease among all components occurred in Production; the only other component to decrease in value in October was Inventories. The prices paid index decreased to its lowest level since January. Commodities reported up in price in October included aluminum, brass, copper, zinc, and electrical components. Commodities reported down in price for the month included polypropylene resins and steel.



Source: Institute for Supply Management

NFIB SMALL BUSINESS OPTIMISM INDEX

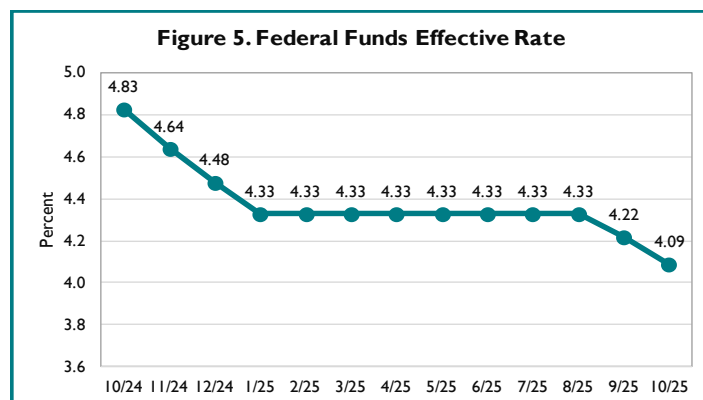
The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 2.0 percent in September after two consecutive months of increases. Compared to one year earlier the value of the Index was 8.0 percent higher. The only two components to increase in value in September were "plans to increase employment" and "earnings trends." The values of three components were unchanged. Notably, the "expect economy to improve" component had the largest decrease. Small businesses continue to be uneasy about the level of uncertainty in the economy, which only increased in October as the federal government shutdown took hold.



Source: National Federation of Independent Businesses

FEDERAL OPEN MARKET COMMITTEE MEETING

On October 29 the Federal Open Market Committee (FOMC) reduced the federal funds rate target by 25 basis points, which marked the second consecutive meeting with such a reduction. The federal funds rate target is in a range of 3.75 percent to 4.00 percent following the cut, its lowest level in three years. Despite consumer inflation that is still well above the Federal Reserve's target of 2.0 percent annually, the reduction occurred out of FOMC members' concern for a slowing U.S. labor market. The vote to cut the target rate was 10-2; one of the dissenting members favored no cut while the other backed a larger reduction of 50 basis points. In his comments following the meeting, Federal Reserve Chair Jerome Powell noted an additional 25 basis point reduction at the FOMC's meeting in December was not a "foregone conclusion."



Source: Board of Governors of the U.S. Federal Reserve System

REVISIONS TO PERSONAL INCOME BY STATE IN 2024

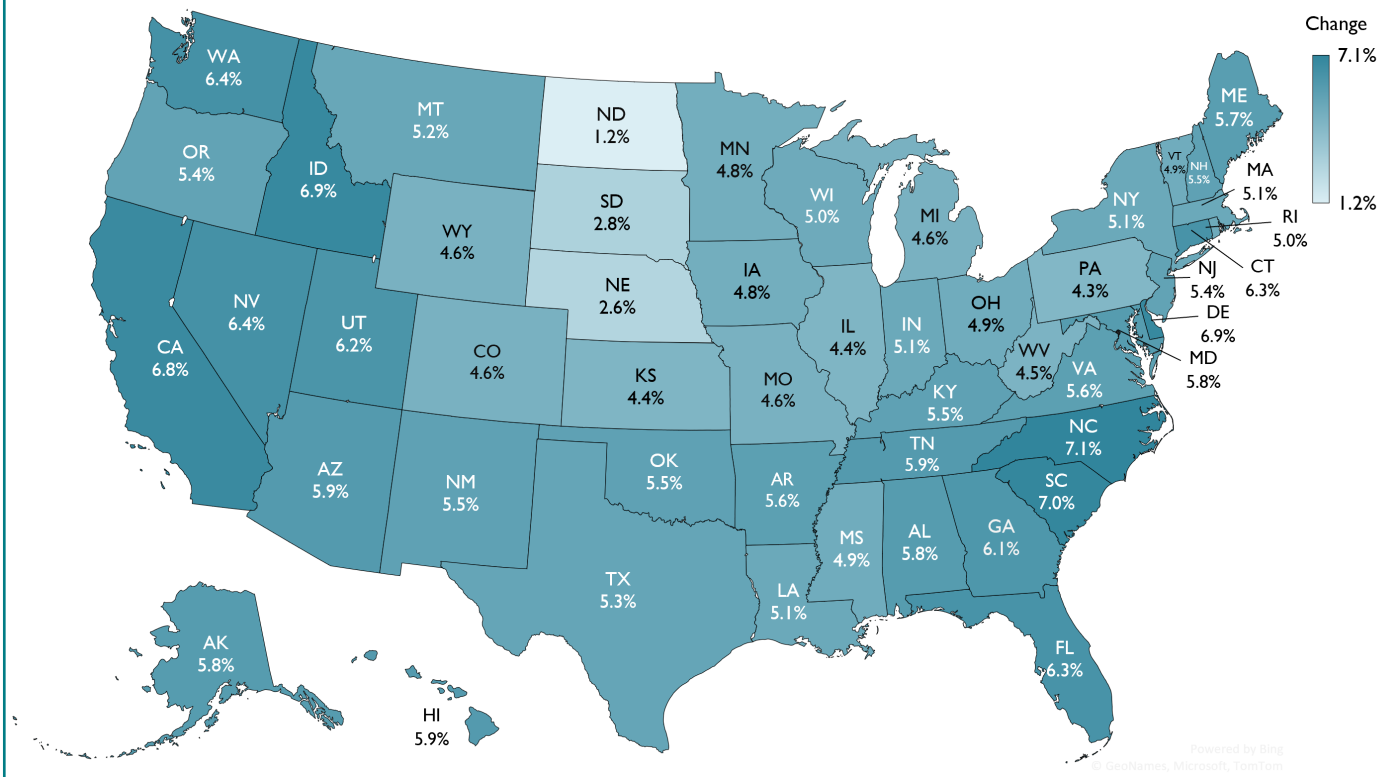
In September the U.S. Bureau of Economic Analysis (BEA) released revisions to the annual estimates of personal income by state for 2024. The agency also revised estimates for previous years. These revisions incorporate more complete and detailed data than were available to BEA when the initial estimates were released in March, as well as updated seasonal factors and the results of the September update to the National Income and Product Accounts. The initial estimates of personal income by state for 2024 were reported in the May 2025 issue of *Mississippi's Business*. These revised estimates, like the initial

estimates, have not been adjusted for inflation and therefore are different from the estimates of the change in real income that BEA will release in December.

BEA reported personal income in Mississippi increased 4.9 percent in 2024, the same as in the initial estimate reported in March. This change ranked thirty-seventh among all states. The change ranked twelfth among states in the Southeast,* ahead of only West Virginia. Growth in personal income in Mississippi in 2024 was less than in 2023, when personal income increased 5.7 percent following revisions.

BEA revised the change in personal income in 2024 up in thirty-eight states and down in seven states. The change in personal income for the U.S. in 2024 was revised up slightly from an increase of 5.4 percent to an increase of 5.6 percent. As seen in Figure 6 below, after revisions the largest increase in personal income among all states in 2024 was the 7.1 percent increase in North Carolina, closely followed by the 7.0 percent increase in South Carolina. Delaware and Idaho followed with increases of 6.9 percent each. California rounded out the top five states with

Figure 6. Percent change in personal income by state, 2024, revised



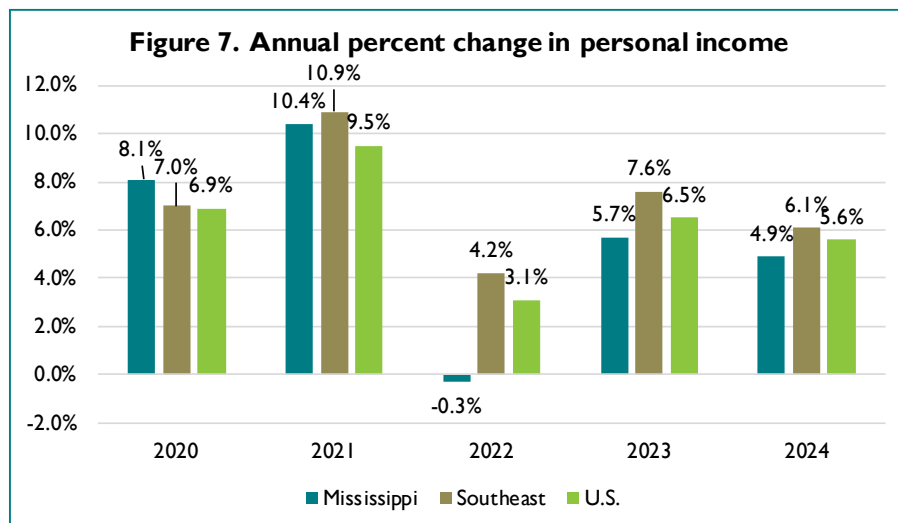
Source: U.S. Bureau of Economic Analysis.

REVISIONS TO PERSONAL INCOME BY STATE IN 2024, (CONTINUED)

an increase in personal income in 2024 of 6.8 percent.

Personal income increased in all fifty states in 2024 according to the revised data. The smallest increase in personal income occurred in North Dakota, where income grew 1.2 percent. Increases in personal income were from 6.0 percent to 7.1 percent in eleven states. In twenty-three states the increases ranged from 5.0 percent to 5.9 percent. The increases were between 4.0 percent and 5.0 percent in thirteen states. The largest increase in personal income among Southeastern states was, as previously mentioned, the 7.1 percent increase in North Carolina, followed by the 7.0 percent increase in South Carolina.

Figure 7 depicts the annual changes in personal income in each of the last five years for Mississippi, the Southeast, and the U.S. The change in personal income in Mississippi was less than in the Southeast and the U.S. in 2024. In Figure 6, the only year in which the change in personal income in Mississippi was greater than that of the Southeast and the U.S. was 2020. Following revisions, the change in personal income in Mississippi in 2022 was slightly negative, a decrease of 0.3 percent. The changes in 2022 for all areas are smaller because of the decrease in transfer payments that occurred that year.



Source: U.S. Bureau of Economic Analysis.

BEA reported in its revised data that per capita personal income for Mississippi in 2024 equaled \$52,074, which represents a slight upward revision of 0.1 percent from the March release. Per capita income in Mississippi ranked fiftieth among all states in 2024 after the revisions, the same as in the initial estimate. West Virginia had the second-smallest per capita personal income among all states in 2024 of \$55,351, just over \$3,277 or 6.3 percent more than in Mississippi.

BEA also reported personal income in Mississippi increased at an annualized rate of 2.7 percent in the second quarter of 2025, which ranked forty-ninth among all states. This growth followed an increase in the first quarter of this year of 10.3 percent, which ranked fourth among all states. As with gross domestic product, the changes in personal income in Mississippi and the

U.S. in the first half of 2025 were impacted by increases in U.S. tariffs in the second quarter.

* BEA defines "Southeast" as the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.