

ECONOMY AT A GLANCE

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Prototype County Real

GDP Estimates

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he value of the Mississippi Leading Index (MLI) fell 1.5 percent in November as Figure 1 below indicates. Due to the federal government shutdown, the November estimate of the MLI does not include building permits, as the November value was not available at press time. The value of the MLI was unchanged for the month compared to one year ago.

Figure 2 below indicates the value of the Mississippi Coincident Index (MCI) increased 0.2 percent in November. Compared to one year ago the value for the month was 2.0 percent higher.

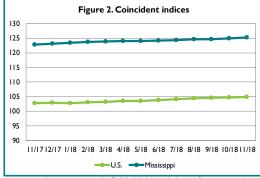
The U.S. Bureau of Economic Analysis (BEA) reported in its third estimate of the change in U.S. real gross domestic product (GDP) in the third quarter of 2018 an increase of 3.4 percent. This estimate was a decrease of 0.1 percentage point from

its second estimate. Although BEA revised up its measure of private inventory investment, this increase was more than offset by downward revisions to consumer spending and exports.

For the second time in the last three months, the MLI fell more than 1.0 percent in value in November. Both national and state measures contributed to this decrease. Anxiety about the future likely impacted components such as the ISM Manufacturing Index and Consumer Expectations. The Mississippi Manufacturing Employment Intensity Index continued its struggles in 2018 and income tax withholdings were down compared to a year ago. On a positive note, unemployment claims remain low and the state's labor market appears relatively solid. Thus, Mississippi's economy on the whole seems to lack momentum at the start of 2019.







Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2004.

Photo credit: "Greenwood, Mississippi City Hall" by toml 1959 available at https://www.flickr.com/photos/37872410@N00/3248594119/ under a Creative Commons Attribution-NonCommercial 2.0 Generic license. Full terms at https://creativecommons.org/licenses/by-nc/2.0/.

MISSISSIPPI LEADING INDEX, NOVEMBER 2018

s seen in Figure 3 the value of the Mississippi Leading Index of Economic Indicators (MLI) fell 1.5 percent in November. However, as discussed on page I the November value of the MLI does not incorporate building permits for Mississippi, which due to the government shutdown were not available at press time. The value of the MLI decreased to its lowest level since March. Compared to one year ago the November value was unchanged. The value of the MLI fell 0.5 percent over the last six months.

Four of the six components used in the November MLI contributed negatively for the month. The largest negative contribution came from the ISM Manufacturing Index. Each component is discussed below in order of smallest to largest contribution.

The value of the **ISM Index of U.S. Manufacturing Activity** fell to its lowest level in over two years in December. As seen in Figure 4 the Index lost 8.8 percent of its value for the month. Compared to one year ago the value in December was also 8.8 percent lower. All five components of the Index declined for the month. The largest decrease occurred in the New Orders component. For the second consecutive month the value of the prices paid index fell sharply in December.

As Figure 5 indicates the value of **Mississippi income** tax withholdings (three-month moving average) fell 1.3 percent in November. As a result the value fell to its lowest level since February. Compared to one year ago the value of withholdings in November was down 0.5 percent. Over the last six months the value of withholdings decreased 0.6 percent.

As seen in Figure 6 the value of the **Mississippi Manufacturing Employment Intensity Index** declined 0.9 percent in November to its lowest level since January. However, data revisions resulted in a slight increase to the Index for October. Compared to one year ago the value in November was down 1.9 percent. While Manufacturing employment in the state increased slightly in November, this increase was more than offset by the third consecutive monthly decrease in average weekly hours of production employees.

The University of Michigan Index of Consumer Expectations (three-month moving average) fell in November for the first time since July. As seen in Figure 7 the value decreased 1.3 percent for the month. The November value was 0.3 percent higher compared to one year ago. The decline in expectations in the most recent sur-

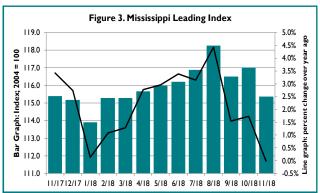
vey was due largely to a considerable fall in business expectations, as a battered stock market took its toll. Conversely, present conditions sentiment increased in the most recent survey, likely heavily influenced by falling gas prices. Both short-term (twelve-month) and long-term (five- to ten-year) inflation expectations fell in the most recent survey.

Figure 8 indicates the value of seasonally-adjusted **initial unemployment claims** in Mississippi declined 0.5 percent in November. The value for the month was down 14.4 percent compared to one year ago. The value of seasonally-adjusted continued unemployment claims in Mississippi fell 2.0 percent in November as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi for the month was 28.8 percent lower compared to one year ago. In November the seasonally adjusted unemployment rate in Mississippi was unchanged from the previous month at 4.7 percent as seen in Figure 17 on page 6. The unemployment rate for the state was 0.1 percentage point lower in November compared to one year ago.

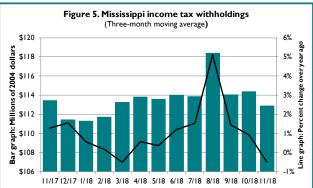
The value of **U.S. retail sales** increased in November for the second consecutive month. As Figure 9 indicates the value rose 0.2 percent from the previous month. Compared to one year ago the value of retail sales was 4.2 percent higher in November. Most categories of sales increased and the largest gain occurred in nonstore retailers. Relatively large gains also included electronics and appliances and furniture and home furnishings. The largest decrease in sales occurred in gasoline stations, a reflection of the relatively fast decline in prices in recent weeks. The other sectors where sales declined in November were building materials, clothing and accessories, and food service and drinking places.

Figure 10 on page 3 depicts **Mississippi residential building permits** (three-month moving average) as of October 2018.

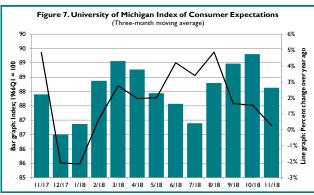
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



Source: University Research Center



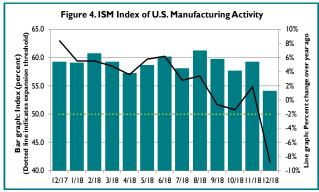
Source: Mississippi Department of Revenue; seasonally adjusted



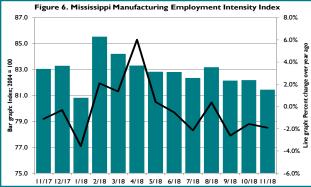
Source: Institute for Supply Management



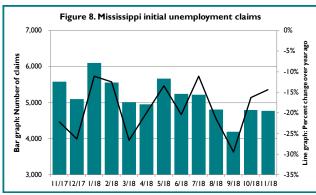
Source: U.S. Bureau of the Census



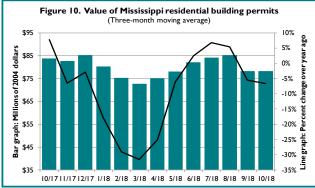
Source: Thomson Reuters/University of Michigan Surveys of Consumers



Source: URC using data from U.S. Bureau of Labor Statistics



Source: U.S. Department of Labor; seasonally adjusted

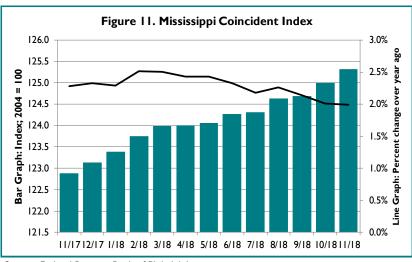


Source: U.S. Bureau of the Census; seasonally adjusted

MISSISSIPPI COINCIDENT INDEX, NOVEMBER 2018

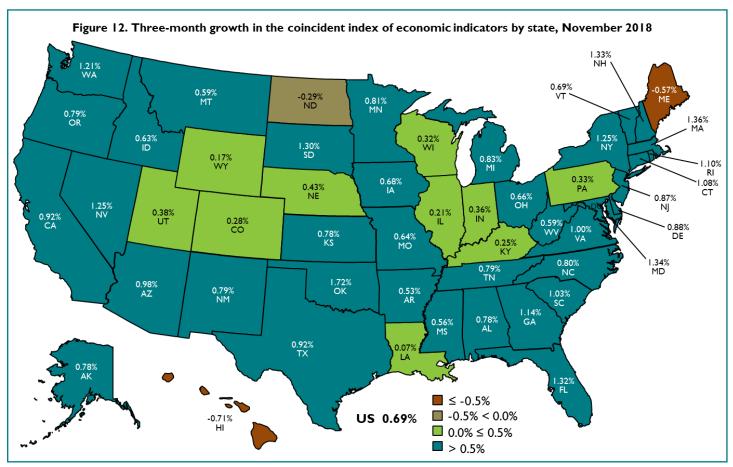
The value of the Mississippi Coincident Index of Economic Indicators (MCI) increased 0.2 percent in November according to the Federal Reserve Bank of Philadelphia. As Figure 11 indicates the value of the MCI for the month was 2.0 percent higher compared to one year ago.

In forty-seven states the values of the coincident indices increased in November compared to three months prior as seen in Figure 12 below. Mississippi was one of thirty-seven states where the values of the coincident indices increased by more than 0.5 percent. The values of the coincident indices increased by less than 0.5 percent in November compared to August in ten states. In North Dakota the coincident index fell by less



Source: Federal Reserve Bank of Philadelphia

than 0.5 percent while in Hawaii and Maine the coincident indices fell by more than 0.5 percent in November compared to three months prior.



Source: Federal Reserve Bank of Philadelphia

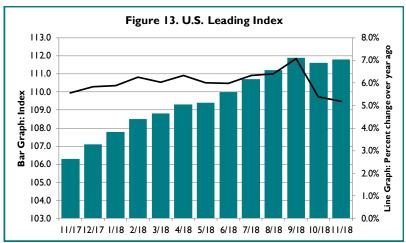
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.2 percent in November as seen in Figure 13. However, previous months were revised lower, and the LEI actually fell in October and remained below its September value. The LEI rose 5.2 percent for the month compared to one year ago. In November seven of the ten indicators that make up the LEI increased in value and building permits made the largest contribution. Over the last six months the value of the LEI rose 2.2 percent.

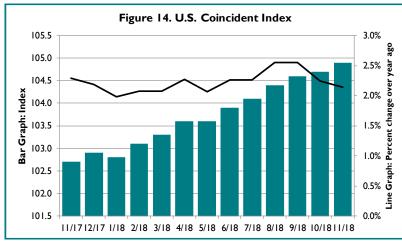
The value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in November according to The Conference Board as seen in Figure 14. The value of the CEI was 2.1 percent higher in November compared to one year ago. All four components of the CEI increased for the month, led by industrial production. The value of the CEI rose 1.3 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell sharply in November, the third consecutive monthly decline. The Index lost 2.4 percent of its value and declined to its lowest level since April. Compared to one year ago the value of the Index was 2.5 percent lower in November, the first year-over-year decrease since December 2017. No components of the Index increased in November, but the "plans to increase employment" and "expected credit conditions" managed to remain unchanged for the month. The largest decline occurred in the "expect economy to improve" component, which fell to its lowest level since the November 2016 elections. The "plans to raise prices" measure increased for the second consecutive month.

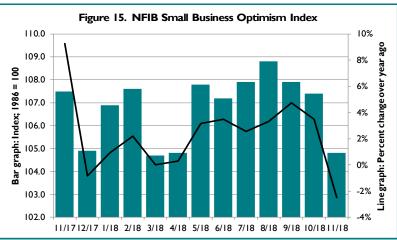
Ignoring criticism from the White House and elsewhere, the Federal Open Market Committee (FOMC) raised the federal funds rate target by 0.25 basis point at its meeting in December. The increase was the fourth of 2018 and the ninth since December 2015. The hike placed the benchmark rate in a range of 2.25 to 2.50 percent. The Fed did revise its guidance for 2019, indicating it expects two increases in rates rather than three as it signaled following earlier meetings in 2018.



Source: The Conference Board

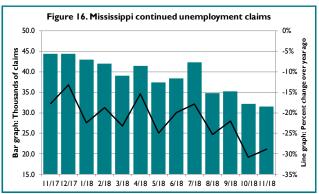


Source: The Conference Board

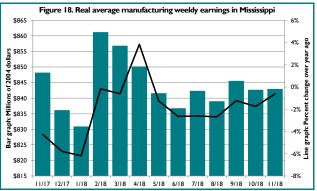


Source: National Federation of Independent Businesses

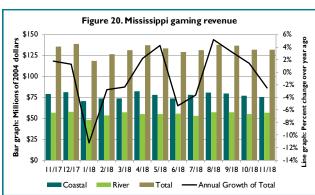
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



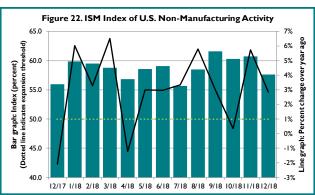
Source: U.S. Department of Labor; seasonally adjusted



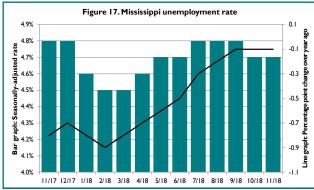
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



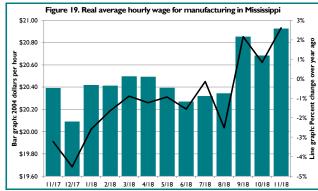
 $Source: \ Mississippi \ Department \ of \ Revenue; \ seasonally \ adjusted$



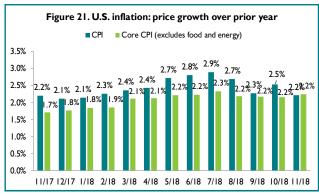
Source: Institute for Supply Management



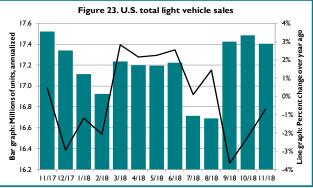
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



Source: U.S. Bureau of Labor Statistics; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Bureau of Economic Analysis; seasonally adjusted at annual rates

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator			November		t change from	
marcacor	2018	2018	2017	October 2018 N	lovember 2017	
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	111.8	111.6	106.3	▲ 0.2%	▲ 5.2%	
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	104.9	104.7	102.7	△ 0.2%	▲2.1 %	Indices
Mississippi Leading Index 2004 = 100. Source: University Research Center	115.4	117.0	115.4	▼1.4 %	♦0.0%	Economic
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	125.3	125.0	122.9	△ 0.2%	▲ 2.0%	ES
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,770	4,793	5,574	▼ 0.5%	▼14.4%	ndex
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	N/A	78.2	82.7	N/A	N/A	Mississippi Leading Index
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	112.9	114.4	113.5	▼1.3 %	▼ 0.5%	issippi L
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.4	82.2	83.0	▼0.9 %	▼1.9 %	e Miss
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	88.1	89.3	87.9	▼1.3 %	△ 0.3%	nts of the
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	54.1	59.3	59.3	₹8.8%	₹8.8%	Components
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	513.5	512.4	492.6	▲0.2%	▲ 4.2%	ပိ
U.S. Consumer Price Index (CPI) U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	133.9 132.0	133.8 131.7	131.0 129.1	♦ 0.0% ♦ 0.2%	^ 2.2% ^ 2.2%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.7%	4.7%	4.8%	♦ 0.0	▼ 0.1	
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	31,581	32,218	44,375	▼2.0 %	▼28.8 %	ñ
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.6	60.7	56.0	▼5.1%	^ 2.9%	us Indicators
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.91%	4.97%	3.95%	→ 0.06	△ 0.96	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.93	20.68	20.39	▲ 1.2%	^ 2.6%	Miscellaneo
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	842.96	842.69	848.22	♦0.0%	▼ 0.6%	Σ
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	104.8	107.4	107.5	→2.4 %	→2.5 %	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	N/A	17.40	17.34	N/A	N/A	
Gaming revenue	132.1	131.8	135.4	▲ 0.2%	▼2.5 %	
Coastal counties River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Reve	75.5 56.6	77.0 54.8	79.0 56.4	▼2.0% ▲3.3%	▼4.5% ◆0.3%	

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi rose by 2,800 jobs in November according to the U.S. Bureau of Labor Statistics (BLS). The increase of 0.2 percent reflects an upward revision to October employment by BLS of 1,900 jobs. Total employment in Mississippi was 1.2 percent higher in November compared to one year ago.

Four states experienced statistically significant increases in total nonfarm employment in November according to BLS. The largest increase in employment occurred in California, which added 30,700 jobs, followed by Florida, which added 23,600 jobs, Wisconsin, where employment rose by 10,600 jobs, and South Dakota, which added 2,900 jobs. South Dakota also experienced the largest percentage increase in employment among all states in November of 0.7 percent.

According to BLS employment was higher in thirty-seven states in November compared to one year ago. Texas, California, and Florida experienced the largest increases in employment over the last year among all states. The largest percentage increase in employment in November compared to one year ago occurred in Nevada at 3.8 percent, closely followed by Arizona with an increase of 3.6 percent.

Trade, Transportation, and Utilities added 1,300 jobs in November, the most among all sectors in Mississippi. The next largest increase was the 600 jobs added in the Health Care and Social Assistance sector. The largest percentage increase occurred in the Construction and Information sectors, both of which rose by 0.9 percent. However, both sectors combined added 500 jobs for the month. The largest decrease in employment in November occurred in Other Services, which lost 600 jobs. The largest percentage decrease in employment among all sectors occurred in Arts and Entertainment, which declined by 3.3 percent for the month.

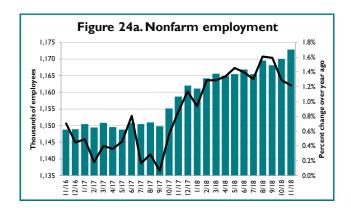
Professional and Business Services added 5,500 jobs over the last twelve months as of November, the most among all sectors the state. The next largest increase occurred in Accommodation and Food Services, where employment was up by 3,300 jobs compared to one year ago. The largest percentage increase in employment among all sectors was also in Professional and Business Services, which rose 5.0 percent. The Arts and Entertainment sector lost 600 jobs over the last twelve months, the most among all sectors in the state. The 6.3 percent decrease was also the largest percent decline in employment among all sectors in the state compared to one year ago.

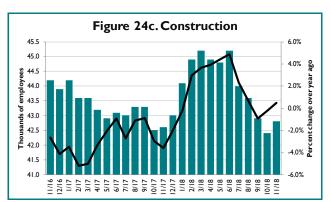
Table 2. Change in Mississippi employment by industry, November 2018

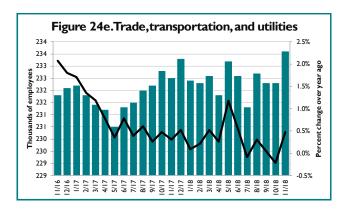
	Relative share of total ^a	November 2018	October 2018	November 2017	Change from October 2018 Level Percent		Novemb	ge from er 2017 Percent
Total Nonfarm	100.0%	1,172,800	1,170,000	1,158,700	^ 2,800	^ 0.2%	1 4,100	▲ 1.2%
Mining and Logging	0.6%	6,600	6,600	6,800	♦ 0	♦ 0.0%	→ 200	▼ 2.9%
Construction	3.8%	42,800	42,400	42,600	^ 400	^ 0.9%	^ 200	^ 0.5%
Manufacturing	12. 4 %	145,600	145,200	143,800	^ 400	^ 0.3%	^ 1,800	▲ 1.3%
Trade, Transportation & Utilities	19.9%	233,600	232,300	232,500	▲ 1,300	^ 0.6%	▲ 1,100	^ 0.5%
Retail Trade	12.0%	140,600	139,900	139,900	^ 700	^ 0.5%	∸ 700	^ 0.5%
Information	1.0%	11,200	11,100	11,400	^ 100	^ 0.9%	→ 200	▼ 1.8%
Financial Activities	3.9%	44,600	44,800	45,000	→ 200	▼ 0.4%	→ 400	▼ 0.9%
Services	37.6%	443,200	442,800	433,400	^ 400	^ 0.1%	^ 9,800	△ 2.3%
Professional & Business Services	9.8%	116,300	116,100	110,800	^ 200	^ 0.2%	◆ 5,500	◆ 5.0%
Educational Services	1.1%	12,200	12,200	12,600	♦ 0	♦ 0.0%	→ 400	▼ 3.2%
Health Care and Social Assistance	11.5%	134,500	133,900	133,200	^ 600	^ 0.4%	▲ 1,300	▲ 1.0%
Arts and Entertainment	0.8%	8,900	9,200	9,500	→ 300	→ 3.3%	→ 600	▼ 6.3%
Accommodation and Food Services	11.0%	130,400	129,900	127,100	↑ 500	^ 0.4%	▲ 3,300	▲ 2.6%
Other Services	3.5%	40,900	41,500	40,200	→ 600	▼ 1.4%	^ 700	^ 1.7%
Government	20.9%	245,200	244,800	243,200	^ 400	▲ 0.2%	2 ,000	^ 0.8%

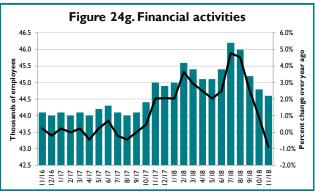
^aRelative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

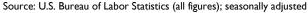
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES

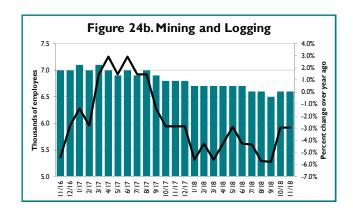


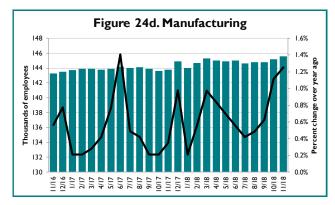


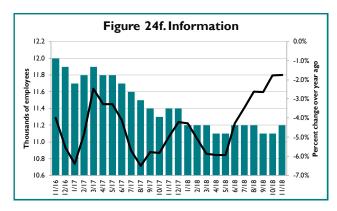


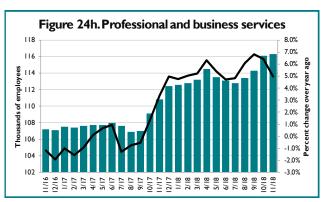




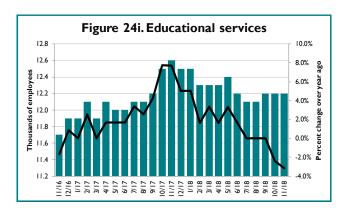


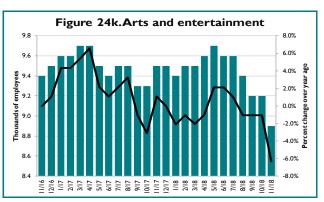


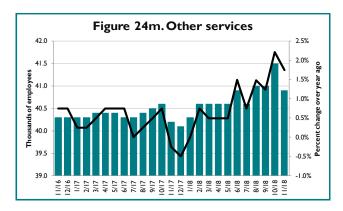


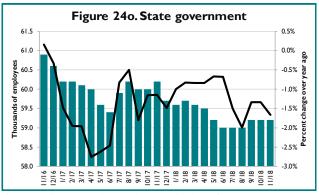


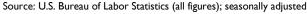
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

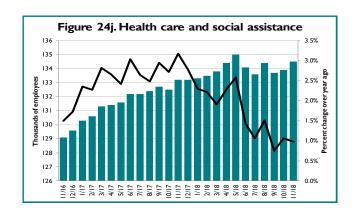


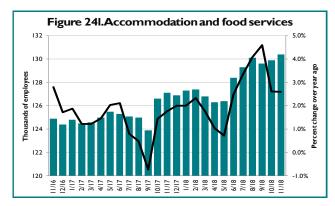


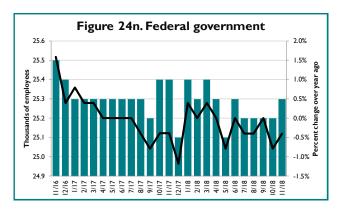


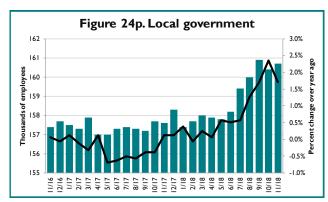










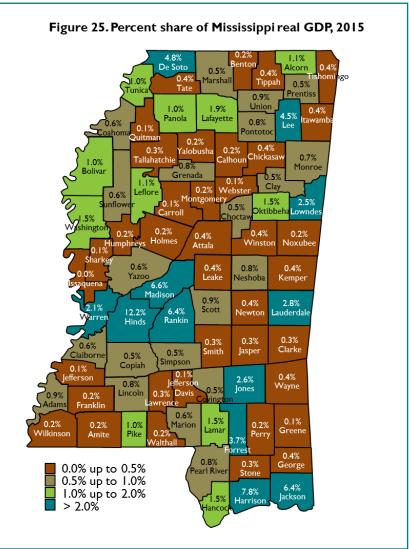


PROTOTYPE COUNTY REAL GDP ESTIMATES

The U.S. Bureau of Economic Analysis (BEA) released estimates of real gross domestic product (GDP) by county for the first time in December, which BEA describes as prototype estimates. These figures represent annual measures of GDP for each of the years 2012 through 2015. BEA produced real GDP estimates for 3,113 counties in the U.S. Real GDP increased in 1,931 counties, decreased in 1,159, and did not change in 23 counties in 2015. Los Angeles County, California, generated the largest real GDP of \$656.0 billion in 2015 while Loving County, Texas, produced the smallest real GDP of \$4.6 million.

In Mississippi, real GDP in 2015 contracted in fifty-three counties, expanded in twenty-eight counties, and was unchanged in one county according to BEA. Real GDP for the state as a whole grew 0.3 percent in 2015. The largest value of real GDP in 2015 was found in Hinds County, where output equaled almost \$12.2 billion. Conversely, the smallest value of real GDP among all counties in the state was the \$17.2 million in Issaquena County. Figure 25 below depicts the share of total real GDP accounted for by each county in Mississippi in 2015. A total of twelve counties each accounted for more than 2.0 percent of state real GDP. Together, these twelve counties represented over 62 percent of total real GDP for Mississippi in 2015. Notably, this group of counties includes essentially all of the metropolitan areas in the state. Moreover, the counties with the five largest shares of total real GDP-Hinds, Harrison, Madison, Jackson, and Rankin-together accounted for almost 40 percent of Mississippi real GDP in 2015. Together these five counties also accounted for 28.0 percent of the state's population in 2015.

A total of eleven counties each accounted for 1.0 percent up to 2.0 percent of Mississippi real GDP in in 2015. Most of these counties are located in the northern half of the state. Added to the previous group, the counties that accounted



Source: U.S. Bureau of Economic Analysis

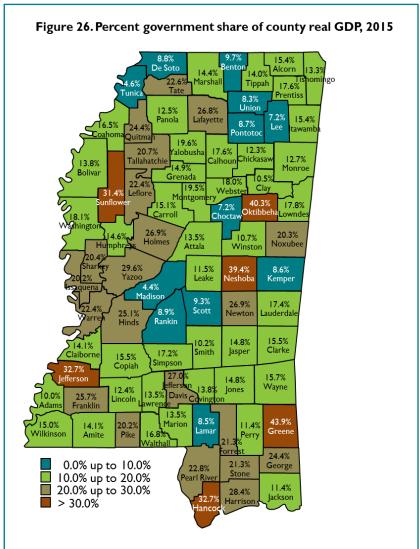
for 1.0 percent or more of the state's real GDP in 2015 represented over 76 percent of total output. Stated another way, less than one-third of all counties accounted for more than three-fourths of total real GDP.

Also seen in Figure 25, a total of twenty-one counties each represented 0.5 percent up to 1.0 percent of total real GDP for Mississippi in 2015. Combined with the previous groups, forty-five counties represented over 90 percent of total real GDP in Mississippi. Finally, a total of thirty-seven counties each accounted for less than 0.5 percent of total real GDP for the state. Together they represented just under 10 percent of total output. A total of eight counties accounted for 0.1 percent or less of the state's real GDP. (While Figure 25 lists the share of real GDP for Issaquena County as 0.0 percent, the actual number was 0.02 percent.)

PROTOTYPE COUNTY REAL GDP ESTIMATES, CONTINUED

As Government represents the largest sector in the Mississippi economy in terms of real GDP, Figure 26 below depicts the Government share of total real GDP in each county in 2015. For the state as a whole, Government across all levels (federal, state, and local) accounted for 17.0 percent of total real GDP in 2015. Government represented the largest share of a county's total real GDP in Greene County in 2015, as this share was 43.9 percent. The smallest share of total real GDP accounted for by Government occurred in Madison County at 4.4 percent. As a qualifier, the share of real GDP accounted for by Government in a county does not necessarily mean government is "large" in a particular county; rather, likely a more accurate view is that the private economy is relatively small. For example, the relatively large Government share of real GDP in Greene County likely results from the presence of the South Mississippi Correctional Facility and a dearth of many private firms.

Government accounted for more than 30.0 percent of total real GDP in 2015 in a total of six counties as seen in Figure 26. The role Government plays in these counties varies considerably, however. For example, as seen in Figure 25 Jackson and Oktibbeha counties each accounted for 1.5 percent of total real GDP in Mississippi in 2015, whereas Jefferson and Greene counties each represented only 0.1 percent of the state's total real GDP.



In twenty counties Government represented 20.0 percent up to 30.0 percent of total real GDP in 2015. Notably, this group includes some, but not all, of the state's metropolitan areas.

In the largest group of counties, Government represented 10.0 percent up to 20.0 percent of real GDP. Essentially all of these forty-four counties are rural.

Government accounted for less than 10.0 percent of total real GDP in twelve counties in 2015. This group includes four of the largest ten counties in terms of real GDP, as well as a majority of the state's metropolitan areas.

In summary, the county GDP estimates released by BEA represent an important additional data point that will allow researchers and government officials to better assess where economic growth is and is not occurring at a local level. The value of this information should improve over time as BEA receives feedback on the data and continues to refine its methodology.

Source: U.S. Bureau of Economic Analysis