

MISSISSIPPI'S BUSINESS

VOLUME 81, ISSUE 10 OCTOBER 2023

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

ECONOMY AT A GLANCE

The value of the Mississippi Leading Index (MLI) increased 0.3 percent in August as seen in Figure 1. Compared to one year earlier the value of the MLI for the month was up 1.1 percent.

In August the value of the Mississippi Coincident Index (MCI) fell 0.4 percent as seen in Figure 2 below, the first decline in a year. The value for the month was up 1.5 percent compared to one year ago.

The U.S. Bureau of Economic Analysis reported in its third estimate of the change in real U.S. gross domestic product (GDP) in the second quarter of 2023 an increase of 2.1

percent at a seasonally-adjusted, annualized rate. This rate was unchanged from BEA's second estimate. BEA reported downward revisions to consumer spending and federal government spending in the third estimate that were essentially offset by upward revisions to private inventory investment, nonresidential fixed investment, exports, and residential fixed investment. In addition, BEA revised the change in U.S. real GDP in the first quarter of 2023 up 0.2 percentage point to an increase of 2.2 percent at a seasonally adjusted, annualized rate.

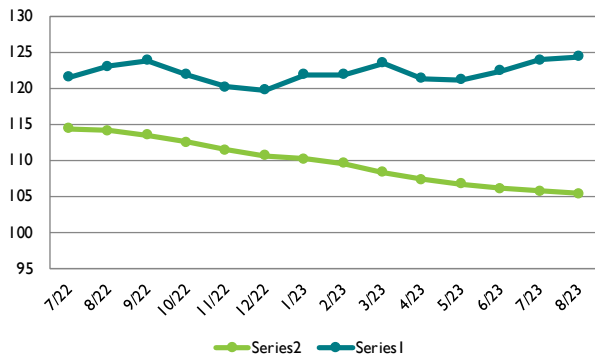
Gains in the components of the MLI were widespread in August, which led to its third consecutive monthly increase. Although national components were responsible for most of the gain, building permits and income tax withholdings in Mississippi contributed as well. The employment-related components made negative contributions for the month, as employment in the state fell sharply in August. However, August employment is often subject to considerable revisions by the Bureau of Labor Statistics. Unemployment claims remain relatively low, and a recession in the state in 2023 appears unlikely.

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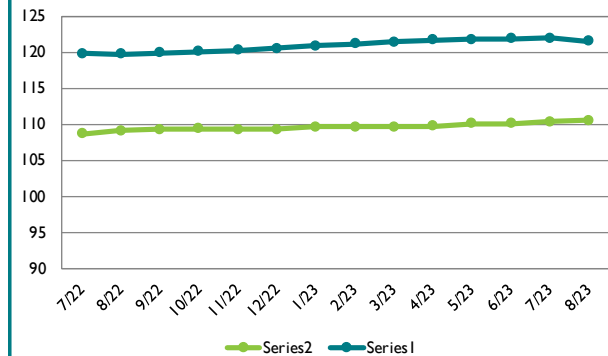
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Figure 1. Leading indices



Sources: University Research Center and The Conference Board

Figure 2. Coincident indices



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 2012. 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 2012.

MISSISSIPPI LEADING INDEX, AUGUST 2023

For the third consecutive month the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased in August. As seen in Figure 3 the value rose 0.3 percent for the month. Compared to one year earlier, the value of the MLI in August was 2.1 percent higher. The value of the MLI increased 2.0 percent over the last six months.

Five of the seven components of the MLI increased in August. The largest contribution for the month was made by the ISM Index of U.S. Manufacturing Activity. The Mississippi Manufacturing Employment Intensity Index made the largest negative contribution. Each component is discussed below in order of largest to smallest contribution.

In September the value of the **ISM Index of U.S. Manufacturing Activity** increased for the third consecutive month. As seen in Figure 4, the value rose 2.9 percent. However, the value for the month was down 3.2 percent compared to one year earlier. Four of the five components of the Index increased in September. The Employment component had the largest increase. Notably, the values of both the Production and Employment components entered expansion territory for the first time since May. The prices paid index fell in September and gave back almost all of its increase in August.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased 2.3 percent in August, the fourth consecutive monthly increase. The value in August was up 22.4 percent compared to one year earlier as seen in Figure 5. A job market with positions still available and a decline in core inflation have im-

proved expectations; however, higher gasoline prices likely will weigh on future survey responses. Notably, both short-term (one-year) inflation expectations and long-term (five-year) inflation expectations both fell in the most recent survey for the first time since June.

Mississippi residential building permits (three-month moving average) increased in value by 2.9 percent in August as seen in Figure 6, the sixth gain in the last seven months. The value for the month was down 3.3 percent compared to one year earlier. In August the number of units in the state increased 5.3 percent. Compared to one year earlier the number of units in the state was 8.9 percent lower in August. The number of privately-owned housing units authorized by building permits in the U.S. rose 6.9 percent in August from the revised July rate. The number of units in the U.S. in August was 2.7 percent lower compared to one year earlier.

As seen in Figure 7 the value of **Mississippi income tax withholdings** (three-month moving average) rose 0.6 percent in August. The July value was revised down to a decrease of 1.7 percent. The value of withholdings in August was 5.7 percent lower compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi decreased 6.2 percent.

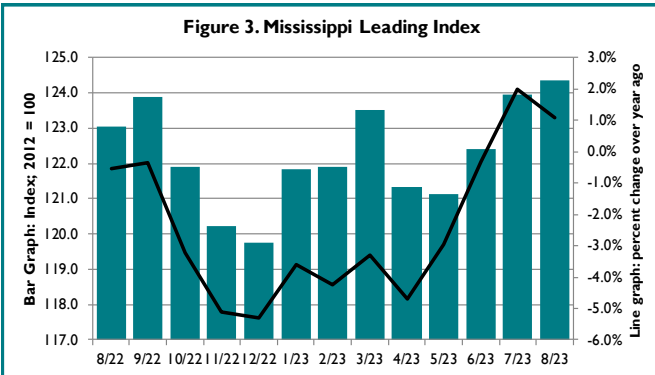
The value of **U.S. retail sales** increased 0.6 percent in August as seen in Figure 8, the fifth consecutive monthly gain. The July value of sales was revised down to an increase of 0.5 percent. The value of August retail sales was up 2.5 percent compared to one year earlier. Sales excluding automobiles and gasoline

were 0.2 percent higher in August. Most segments saw increases in sales in August, led by the surge at Gasoline Stations. The only segments where sales decreased for the month were Sporting Goods and Hobbies and Furniture and Home Furnishings. Sales at Nonstore Retailers were unchanged in August.

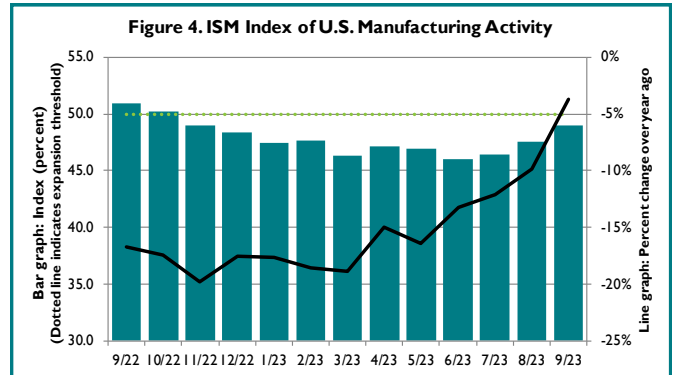
Figure 9 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi jumped 17.6 percent in August to the highest level since December. The value for the month compared to one year earlier was 5.4 percent lower, however. The number of seasonally-adjusted continued unemployment claims in Mississippi fell 3.9 percent in August as seen in Figure 16 on page 6. Compared to one year earlier the number of continued unemployment claims in the state for the month was up 19.1 percent. The unemployment rate in Mississippi increased 0.2 percentage point in August to 3.2 percent as seen in Figure 17 on page 6, the first increase since September 2022. The rate in August was 0.6 percentage point lower compared to one year earlier.

The value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.8 percent in August as seen in Figure 10, giving back most of July's gain. The August value was essentially unchanged compared to one year earlier. The decrease in the value of the Index in August was due to the decline in Manufacturing employment in the state, which fell 1.0 percent, and the decrease in the average weekly hours of production employees for the month, which fell 0.8 percent.

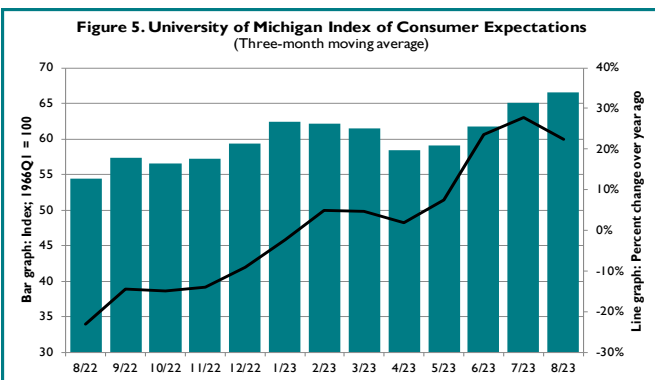
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



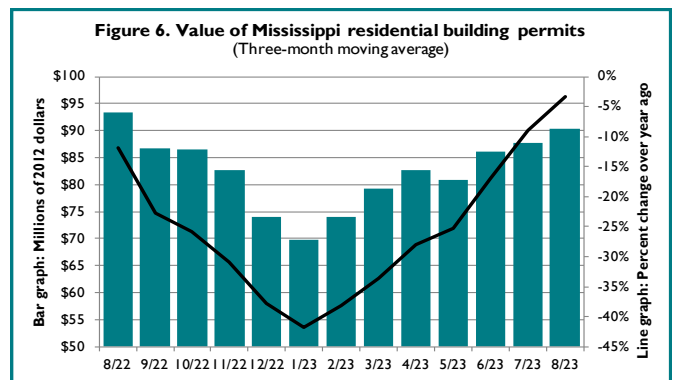
Source: University Research Center



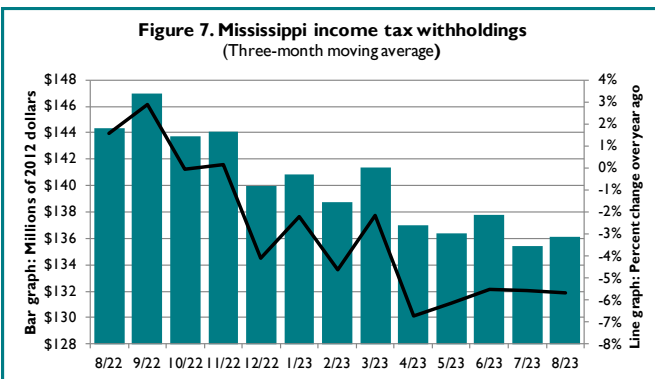
Source: Institute for Supply Management



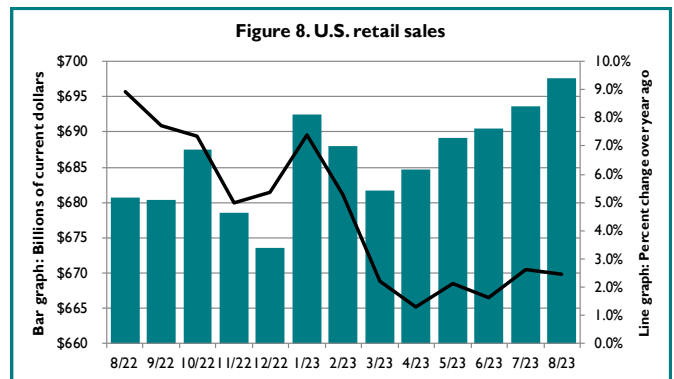
Source: Thomson Reuters/University of Michigan Surveys of Consumers



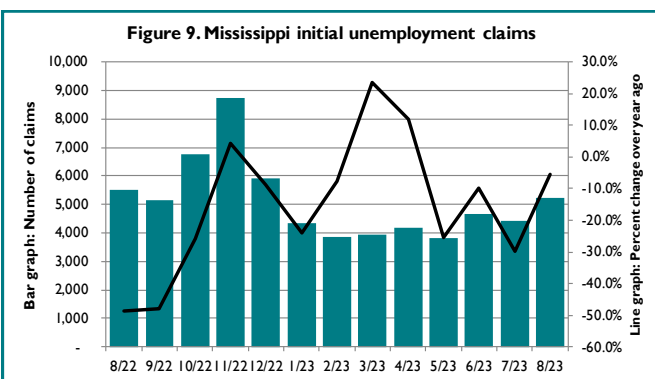
Source: URC using data from U.S. Bureau of Labor Statistics



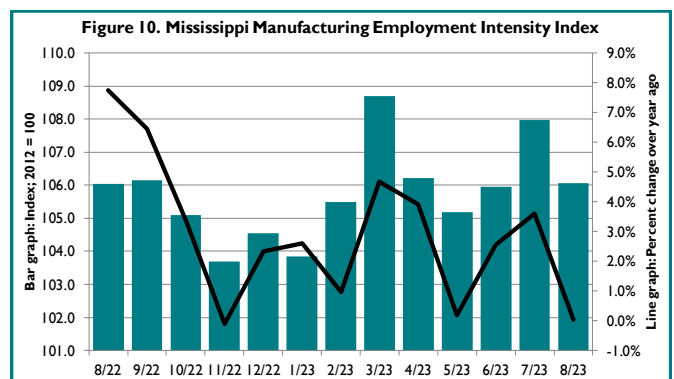
Source: Mississippi Department of Revenue; seasonally adjusted



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



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



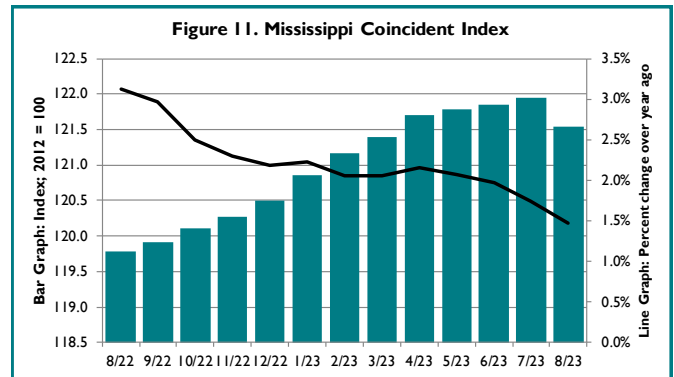
Source: URC using data from U.S. Bureau of Labor Statistics

MISSISSIPPI COINCIDENT INDEX, AUGUST 2023

The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** fell 0.4 percent in August according to The Federal Reserve Bank of Philadelphia as seen in Figure 11. The monthly decrease was the first since August 2022. The value of the MCI for the month was 1.5 percent higher compared to one year earlier.

As seen in Figure 12 the values of the coincident indices increased in forty-one states in August compared to May according to the Federal Reserve Bank of Philadelphia. The value of the coincident index in Maryland rose approximately 3.0 percent over the last three months, the largest gain among all states.

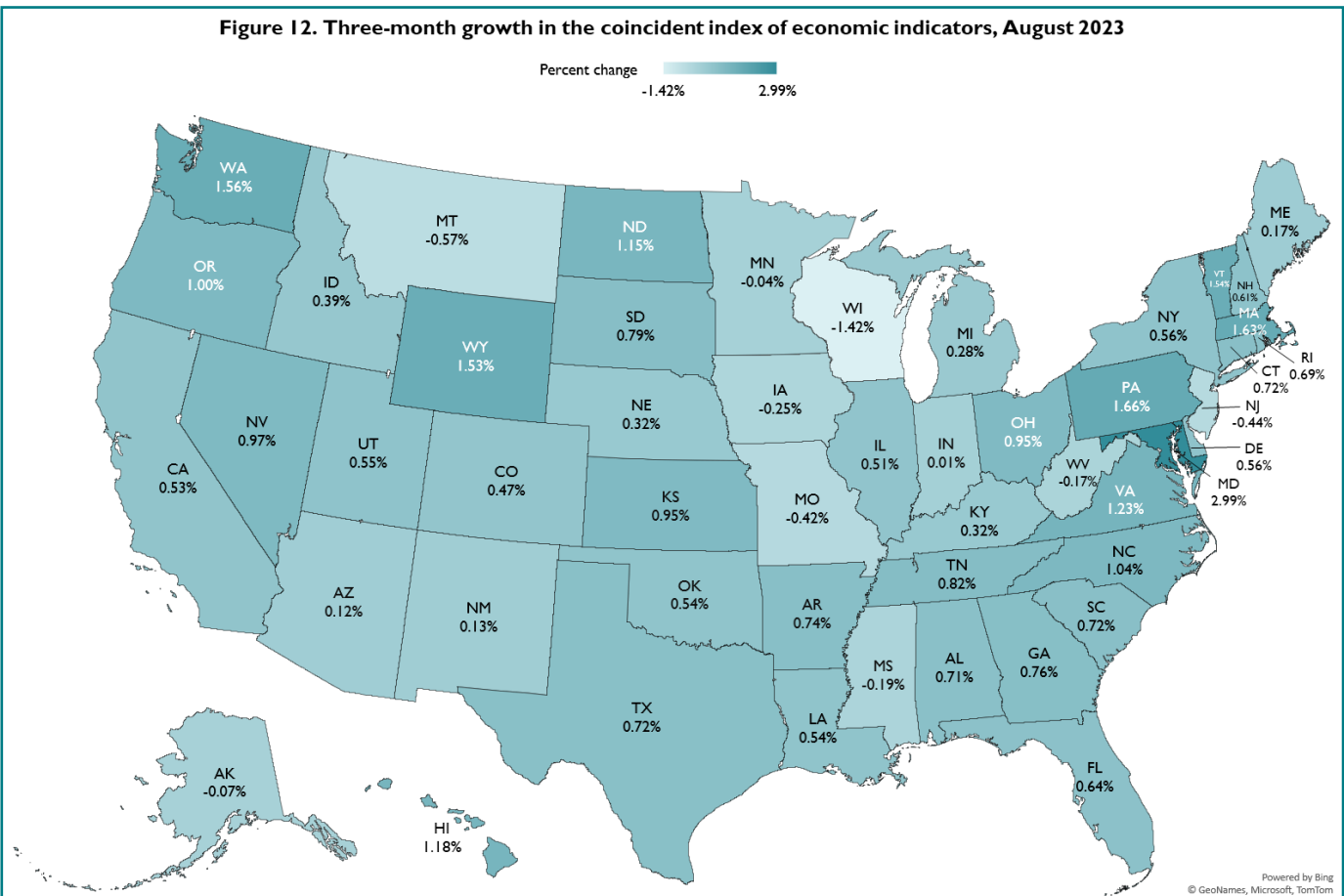
The values of coincident indices rose 1.0 percent or more in August compared to May in eleven states. In twenty-one states the values of coincident indices rose more than 0.5 percent but less than 1.0 percent over the last three months. In nine states the values rose less than 0.5 percent in August compared to May. Mississippi was one of nine states where the value of the coincident index decreased over the last



Source: Federal Reserve Bank of Philadelphia

three months. The largest decline in the value of a coincident index in August compared to May occurred in Wisconsin, where the value fell just over 1.4 percent.

Figure 12. Three-month growth in the coincident index of economic indicators, August 2023



Source: Federal Reserve Bank of Philadelphia

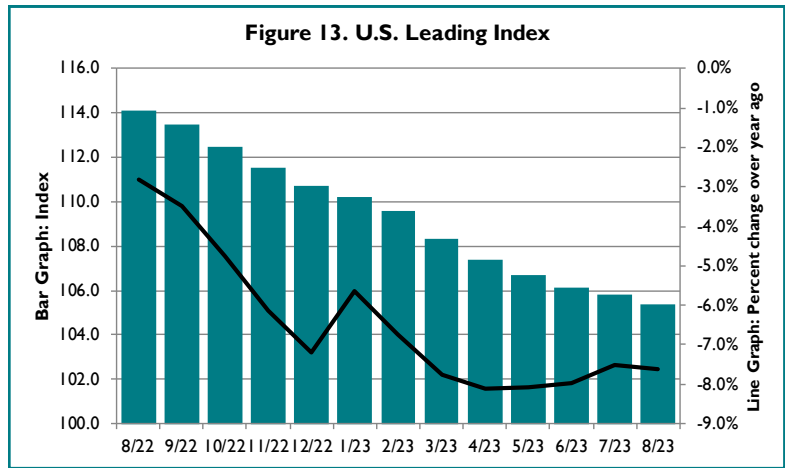
NATIONAL TRENDS

As seen in Figure 13 The Conference Board reported the value of the U.S. Leading Economic Index (LEI) decreased 0.4 percent in August, the seventeenth consecutive monthly decline. Compared to one year earlier the value was 7.6 percent lower. Seven of the ten components of the LEI made negative contributions in August while average weekly manufacturing hours were unchanged. The largest negative contribution came from the ISM New Orders Index. Building permits made the largest positive contribution. The value of the LEI fell 3.8 percent over the last six months.

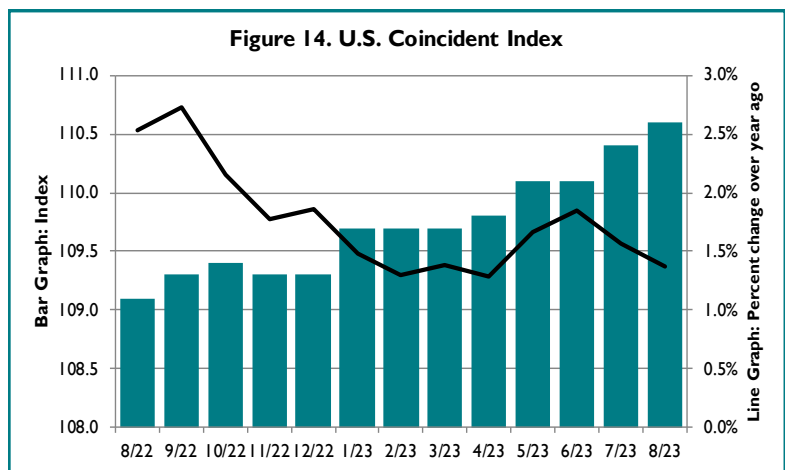
The value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in August according to The Conference Board as seen in Figure 14. Compared to one year earlier the value of the CEI for the month was up 1.9 percent. In August all four components of the CEI made positive contributions and the largest contribution came from personal income less transfers. Over the last six months the value of the CEI increased 0.8 percent.

Figure 15 indicates the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 0.7 percent in August, its first decline since April. The value of the Index for the month was down 0.5 percent compared to one year earlier. The “expect economy to improve” and “earnings trend” components were primarily responsible for the decrease in the Index in August. Inflation, high interest rates, and overall tightening financial conditions, among other factors, continue to weigh on small business sentiment.

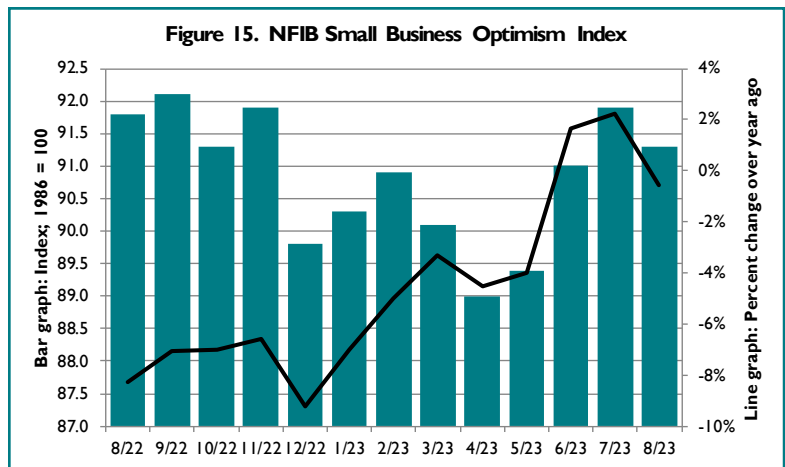
The Federal Open Market Committee (FOMC) left the federal funds rate target unchanged at its September meeting as was widely expected. However, in the Federal Reserve’s latest projections, twelve of nineteen members expect the federal funds rate target to be in the range of 5.5 to 5.75 percent by the end of 2023. That expectation implies a 25-basis point increase by the FOMC at either the November or December meeting. In addition, the projections indicate FOMC members expect a federal funds rate of 5.1 percent next year, which implies a cut in the rate target will not occur before mid-2024.



Source: The Conference Board

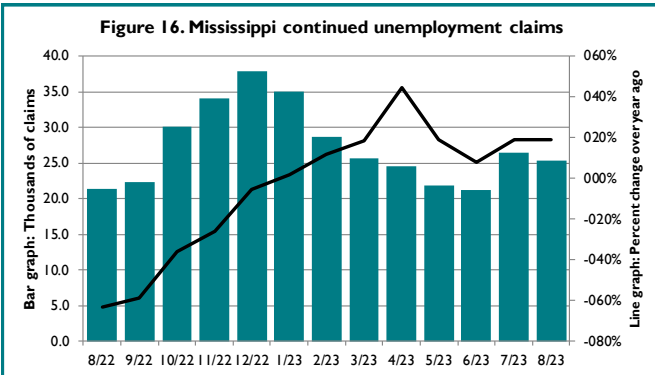


Source: The Conference Board

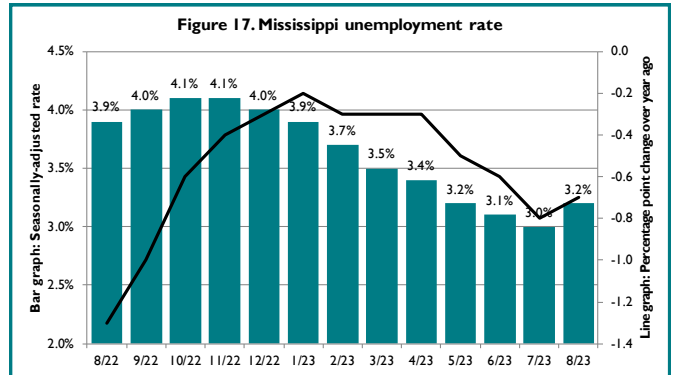


Source: National Federation of Independent Businesses

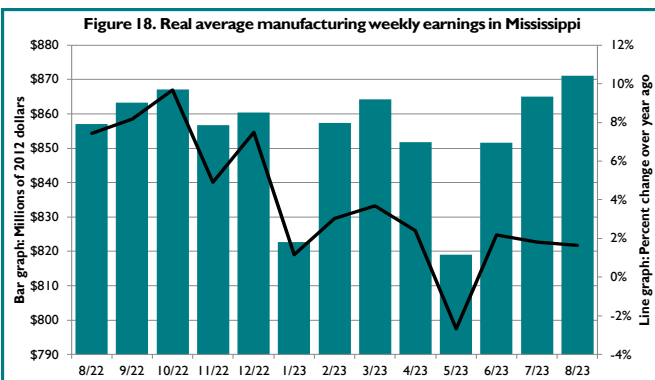
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



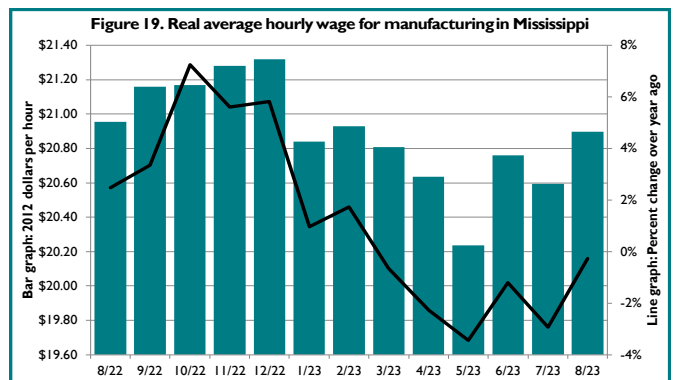
Sources: U.S. Department of Labor, URC (seasonal adjustment)



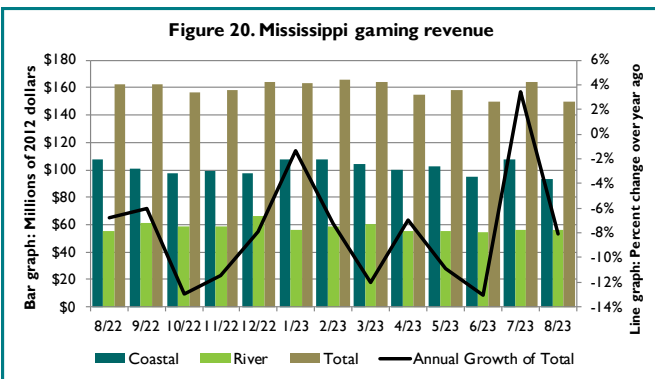
Source: U.S. Bureau of Labor Statistics



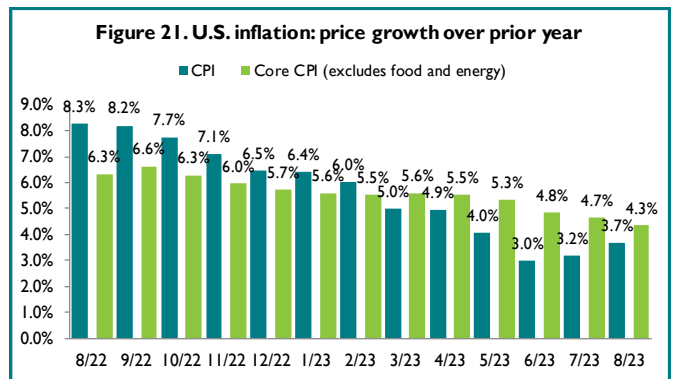
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



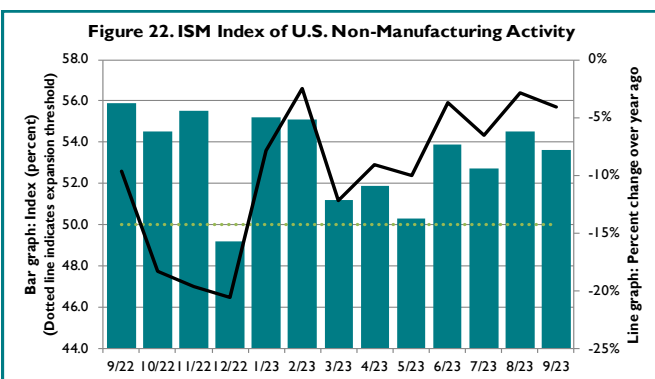
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



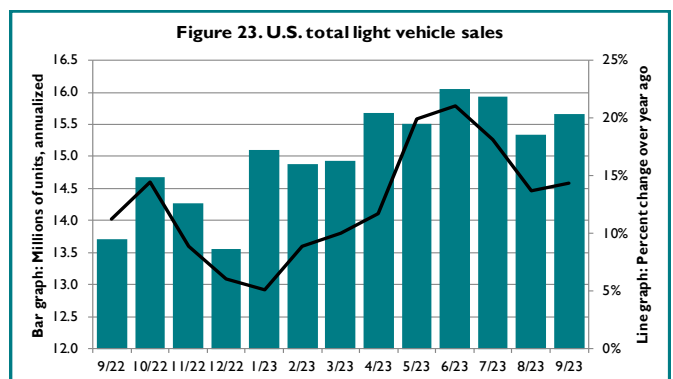
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: U.S. Bureau of Economic Analysis

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	August	July	August	Percent change from	
	2023	2023	2022	July 2023	August 2022
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	105.4	105.8	114.1	▼0.4%	▼7.6%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	110.6	110.4	109.1	▲0.2%	▲1.4%
Mississippi Leading Index 2012 = 100. Source: University Research Center	124.4	123.9	123.0	▲0.3%	▲1.1%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	121.5	122.0	119.8	▼0.4%	▲1.4%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,216	4,437	5,515	▲17.6%	▼5.4%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	90.3	87.7	93.4	▲2.9%	▼3.3%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	136.1	135.4	144.3	▲0.6%	▼5.7%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	106.1	108.0	106.0	▼1.8%	◀▶0.0%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	66.6	65.1	54.4	▲2.3%	▲22.4%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	49.0	47.6	50.9	▲2.9%	▼3.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	697.6	693.7	680.7	▲0.6%	▲2.5%
U.S. Consumer Price Index (CPI)	307.0	305.7	296.2	▲0.4%	▲3.7%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	310.1	309.4	297.2	▲0.2%	▲4.3%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.2%	3.0%	3.8%	▲0.2	▼0.6
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	25,386	26,422	21,317	▼3.9%	▲19.1%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	53.6	54.5	55.9	▼1.7%	▼4.1%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	7.19%	6.91%	5.31%	▲0.29	▲1.88
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	20.90	20.59	20.95	▲1.5%	▼0.3%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	871.08	864.97	856.99	▲0.7%	▲1.6%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	91.3	91.9	91.8	▼0.7%	▼0.5%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.67	15.34	13.70	▲2.1%	▲14.3%
Gaming revenue	149.53	164.30	162.7	▼9.0%	▼8.1%
Coastal counties	92.99	107.92	107.7	▼13.8%	▼13.7%
River counties	56.54	56.38	55.0	▲0.3%	▲2.8%
Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue					

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

Mississippi lost 6,400 jobs in August according to the U.S. Bureau of Labor Statistics (BLS), a 0.5 percent decrease. As seen in Table 2 below, total nonfarm employment in the state was down by 700 jobs compared to one year earlier, a decrease of 0.1 percent. BLS also revised July employment in Mississippi down by 700 jobs.

In August total nonfarm employment increased in five states, decreased in three states, and was essentially unchanged in forty-two states and the District of Columbia. North Carolina added 17,500 jobs for the month, the most among all states, followed by Massachusetts, which added 15,400 jobs, and Maryland, which added 12,400 jobs. In Montana, employment rose 0.7 percent in August, the largest percentage increase in employment among all states, followed by the 0.6 percent increase in Nevada and the 0.5 percent increase in Maryland. Mis-

souri lost 13,700 jobs for the month, the most among all states, followed by the 6,400 jobs lost in Mississippi and the 4,800 jobs lost in Hawaii.

Employment increased in thirty-two states over the last twelve months as of August and was essentially unchanged in eighteen states and the District of Columbia according to BLS. Texas added 402,000 jobs over the past twelve months, the most among all states, followed by the 335,200 jobs added in California and the 270,300 jobs added in Florida. The largest percentage increase in employment among all states over the last twelve months was the 3.9 percent increase in Nevada.

Job losses were widespread across sectors in Mississippi in August according to BLS. The Arts and Entertainment sector added 400 jobs for the month, a 4.0 percent increase, followed by the Accommodation

and Food Services sector, which added 300 jobs, and the Information sector, which added 100 jobs. The Government sector lost 2,100 jobs for the month, the most among all sectors. Employment in the Mining and Logging sector fell 1.6 percent in August, the largest percentage decrease among all sectors and a loss of 100 jobs.

Over the last twelve months as of August the Health Care and Social Assistance sector added 7,200 jobs, the most among all sectors in the state. Employment in the Educational Services sector was up 12.5 percent over the past year, the largest percentage increase among all sectors in Mississippi. The Professional and Business Services sector lost 5,200 jobs over the past twelve months, the most among all sectors in the state. The sector also had the largest percentage decrease in employment over the past twelve months of 4.4 percent.

Table 2. Change in Mississippi employment by industry, August 2023

	Relative share of total ^a	August 2023	July 2023	August 2022	Change from July 2023 Level	Change from July 2023 Percent	Change from August 2022 Level	Change from August 2022 Percent
Total Nonfarm	100.0%	1,166,300	1,172,700	1,167,000	▼6,400	▼0.5%	▼700	▼0.1%
Mining and Logging	0.5%	6,000	6,100	6,000	▼100	▼1.6%	◀▶0	◀▶0.0%
Construction	4.0%	46,900	47,300	45,600	▼400	▼0.8%	▲1,300	▲2.9%
Manufacturing	12.6%	145,400	146,800	148,200	▼1,400	▼1.0%	▼2,800	▼1.9%
Trade, Transportation & Utilities	20.9%	242,900	244,800	244,100	▼1,900	▼0.8%	▼1,200	▼0.5%
Retail Trade	11.8%	139,300	139,600	138,300	▼300	▼0.2%	▲1,000	▲0.7%
Information	0.9%	10,200	10,100	10,400	▲100	▲1.0%	▼200	▼1.9%
Financial Activities	3.8%	43,300	43,700	44,400	▼400	▼0.9%	▼1,100	▼2.5%
Services	37.4%	438,400	438,600	435,800	▼200	◀▶0.0%	▲2,600	▲0.6%
Professional & Business Services	10.0%	113,400	113,600	118,600	▼200	▼0.2%	▼5,200	▼4.4%
Educational Services	1.2%	14,400	14,600	12,800	▼200	▼1.4%	▲1,600	▲12.5%
Health Care and Social Assistance	11.5%	139,700	140,200	132,500	▼500	▼0.4%	▲7,200	▲5.4%
Arts and Entertainment	0.8%	10,500	10,100	9,300	▲400	▲4.0%	▲1,200	▲12.9%
Accommodation and Food Services	10.6%	121,900	121,600	123,600	▲300	▲0.2%	▼1,700	▼1.4%
Other Services	3.3%	38,500	38,500	39,000	◀▶0	◀▶0.0%	▼500	▼1.3%
Government	19.9%	233,200	235,300	232,500	▼2,100	▼0.9%	▲700	▲0.3%

^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

Figure 24a. Nonfarm employment

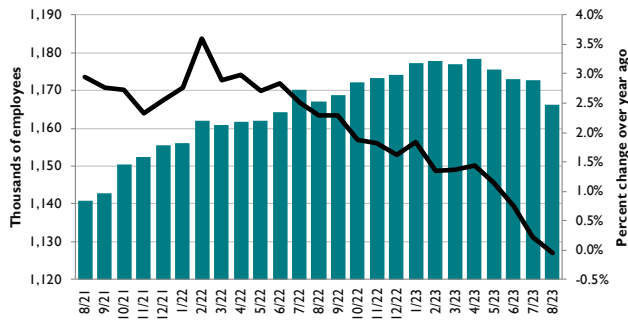


Figure 24b. Mining and Logging

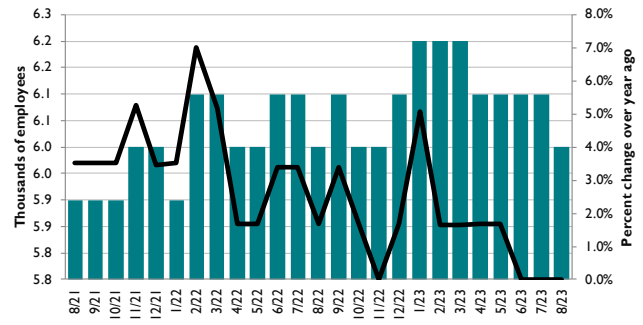


Figure 24c. Construction

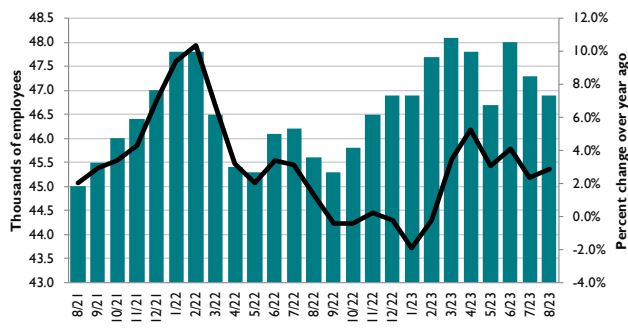


Figure 24d. Manufacturing

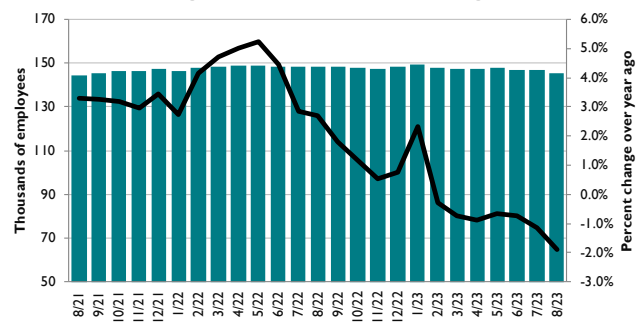


Figure 24e. Trade, transportation, and utilities

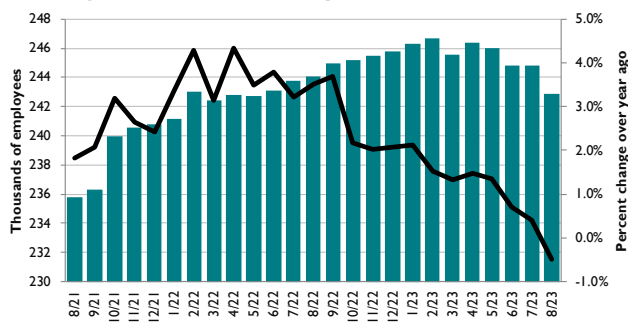


Figure 24f. Information

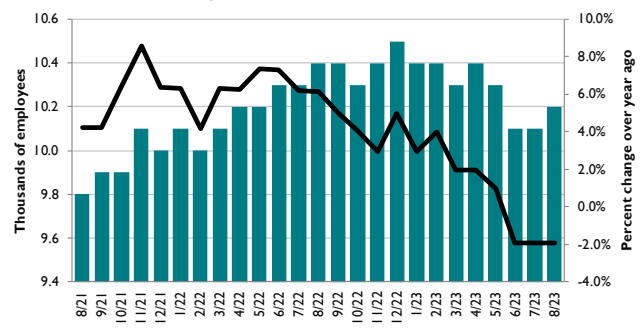


Figure 24g. Financial activities

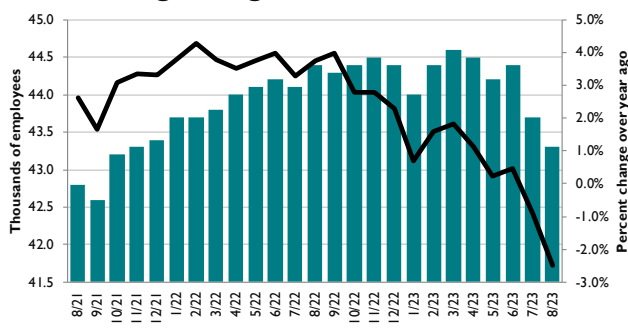
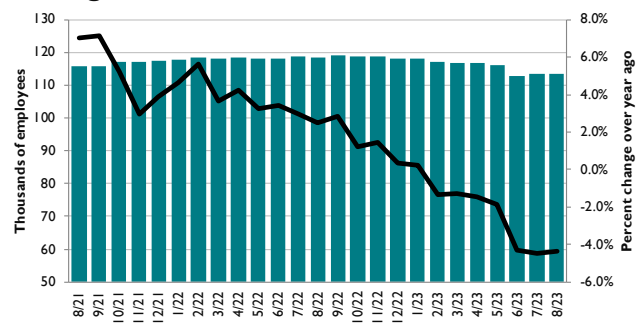
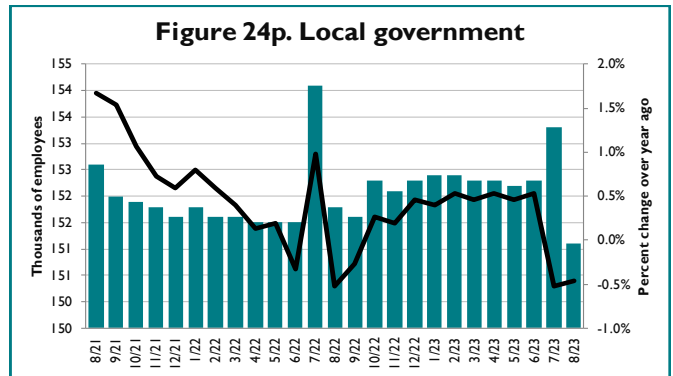
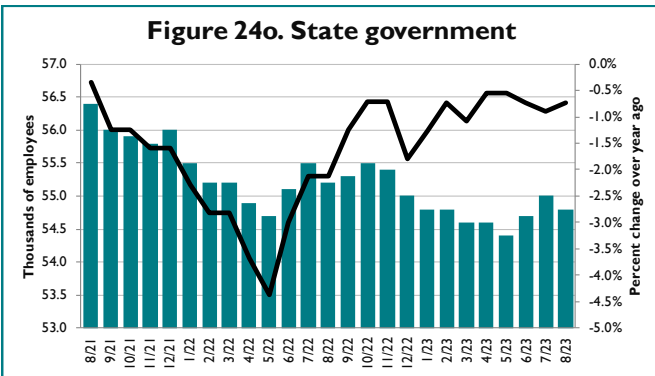
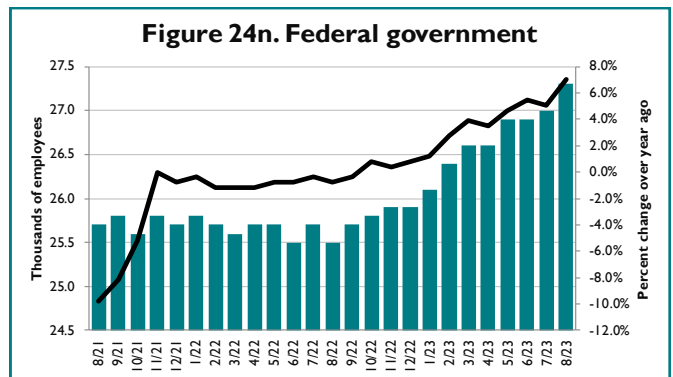
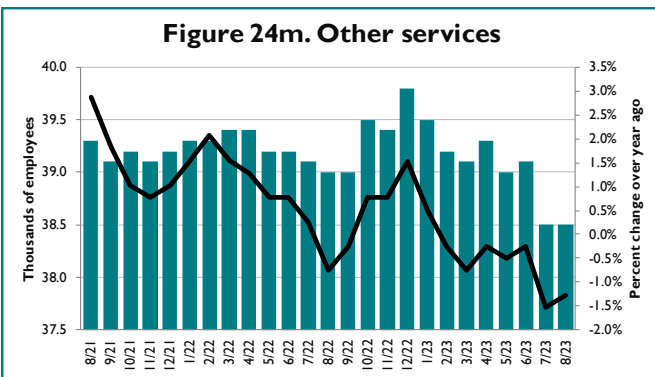
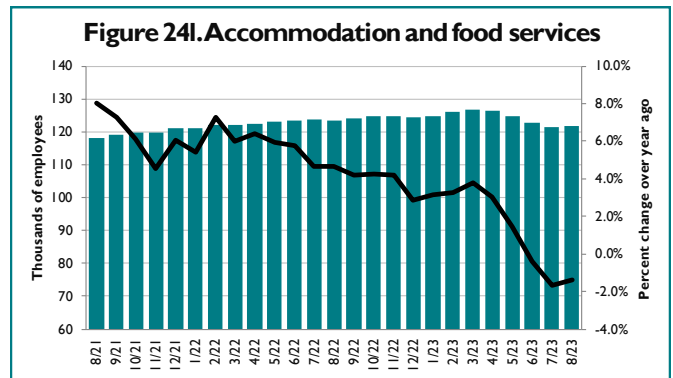
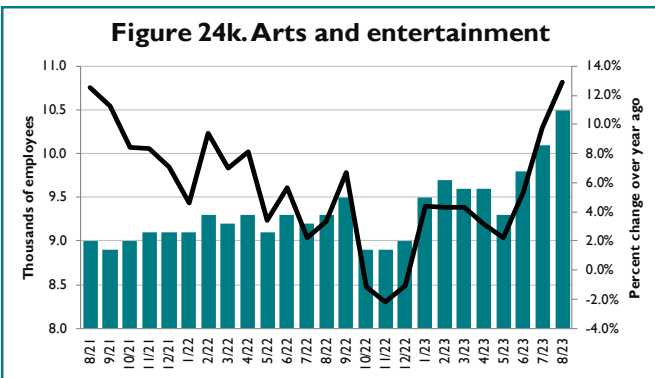
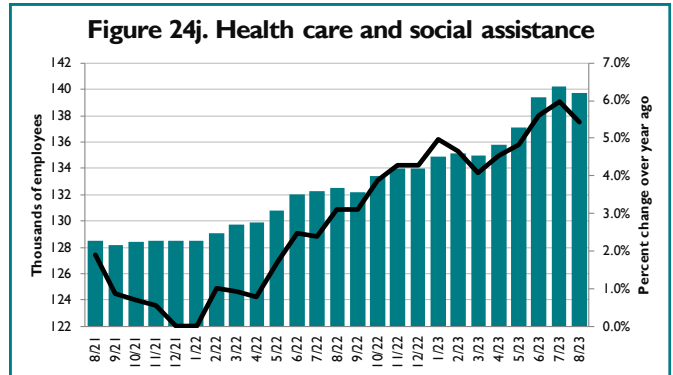
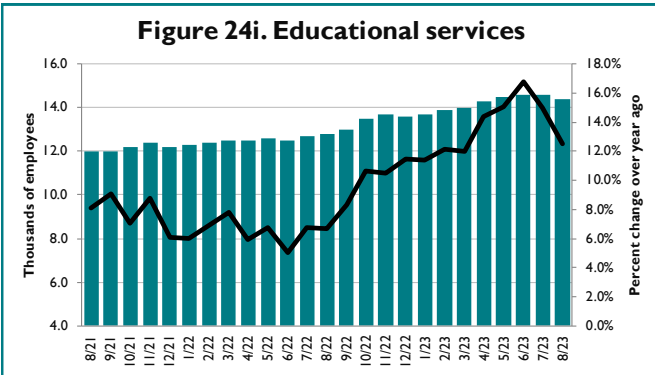


Figure 24h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

REVISIONS TO PERSONAL INCOME BY STATE IN 2022

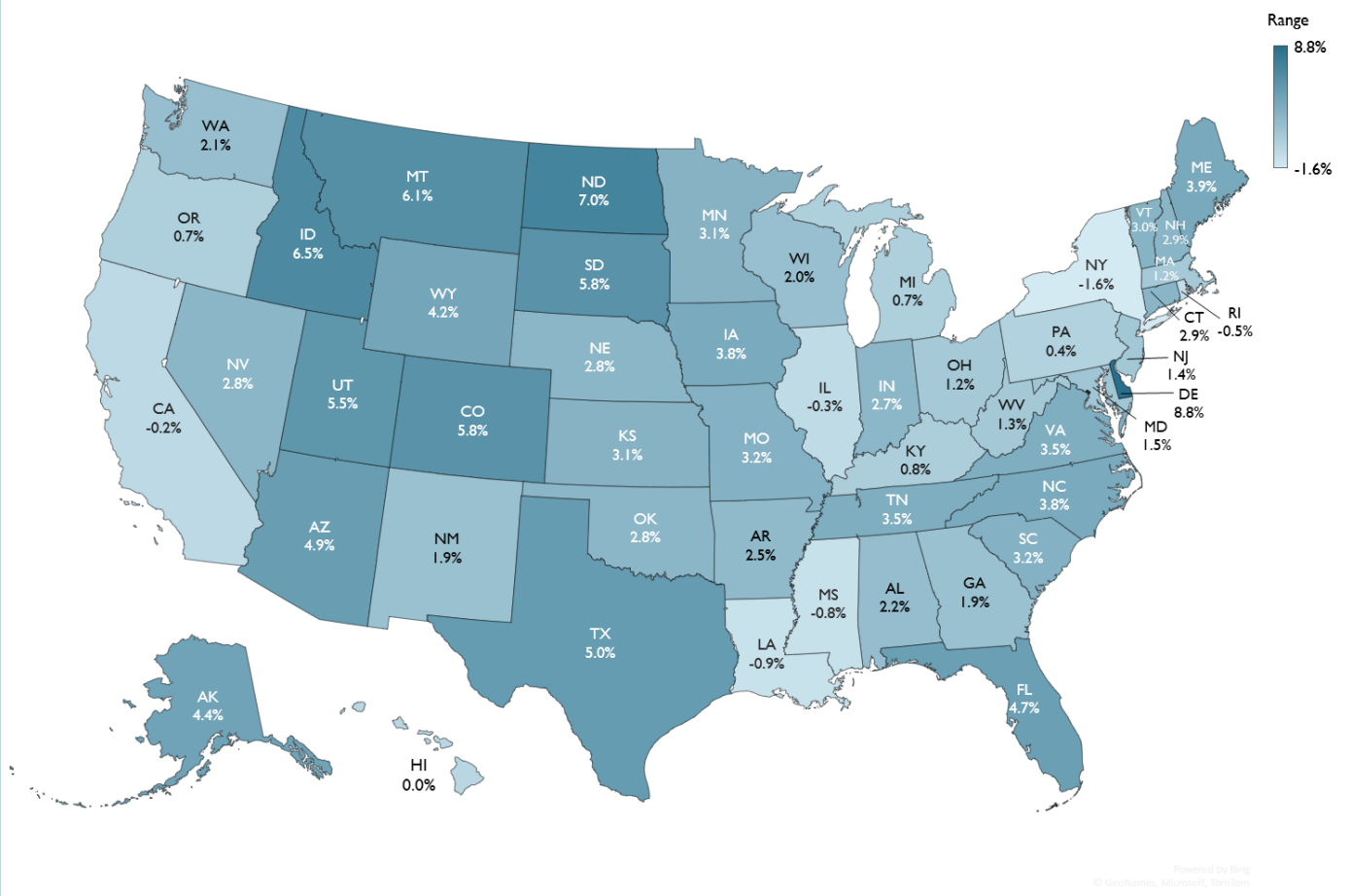
The U.S. Bureau of Economic Analysis (BEA) released revisions to the annual estimates of personal income by state for 2022 late last month. The agency also revised estimates for previous years. These revisions incorporate more complete and detailed data than were available to BEA when the initial estimates 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 2022 were reported in

the May 2023 issue of *Mississippi's Business*. Like the initial estimates, the revised 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.

In its revised estimates BEA reported personal income in Mississippi decreased 0.8 percent in 2022, a reduction of 1.3 percentage points from the initial estimate in March. Among all states and the District of Columbia this change ranked forty-eighth. The change was the second

lowest among states in the Southeast*, ahead of only the 0.9 percent decrease in Louisiana. BEA revised the change in personal income in 2022 down in thirty-three states. The change in personal income for the U.S. in 2022 was revised down slightly from an increase of 2.1 percent to an increase of 2.0 percent. Following revisions the largest increase in personal income among all states in 2022 was the 8.8 percent increase in Delaware, as seen in Figure 25 below. The second largest increase was the 7.0 percent gain in North Dakota. Personal income

Figure 25. Percent change in personal income by state, 2022, revised

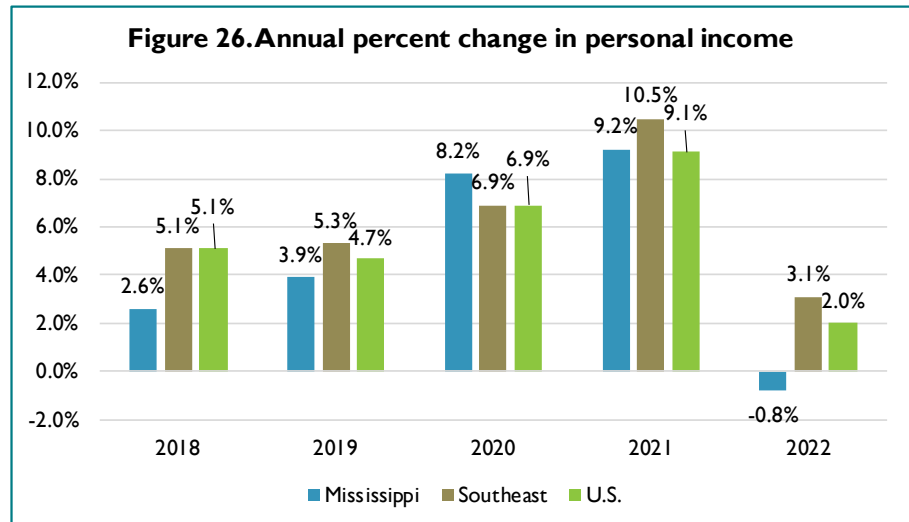


Source: U.S. Bureau of Economic Analysis.

REVISIONS TO PERSONAL INCOME BY STATE IN 2022 (CONTINUED)

increased in forty-three states in 2022 according to the revised data. Personal income decreased in six states including Mississippi; the largest decrease occurred in New York, where incomes fell 1.6 percent for the year. In Hawaii personal income was unchanged. Increases in personal income ranged from 3.0 percent to 8.8 percent in twenty-two states. In twenty-one states the increases ranged from 0.4 percent to 2.9 percent. The largest increase in personal income among South-eastern states was the 5.0 percent increase in Texas, followed by the 4.7 percent increase in Florida.

The annual changes in personal income in each of the last five years for Mississippi, the Southeast, and the U.S. are depicted in Figure 26. The change in personal income in Mississippi was less than in the Southeast and the U.S. in 2022. The relatively large increases in personal income in Mississippi and other states in both 2020 and 2021 were due in part to transfer payments from the federal government in response to the pandemic. According to supplemental data included with last month's release, personal current transfer receipts in Mississippi decreased by about \$5.6 billion in 2022. This decrease in transfer receipts more than offset the combined increase in net earnings and dividend, interest, and rent income of almost \$4.6 billion, which led to the overall decrease in personal



Source: U.S. Bureau of Economic Analysis.

income in the state in 2022 of almost \$1.1 billion. The supplemental data included by BEA indicates the largest portion of the decrease in transfer receipts in Mississippi in 2022 came from the reduction in Economic Impact Payments to individuals that were originally established under the CARES Act in 2020. This decrease in 2022 was just under \$5.8 billion, which was partially offset by increases in Social Security, Medicare, and Medicaid payments.

BEA reported in its revised data per capita personal income for Mississippi in 2022 equaled \$46,370, a slight increase of 0.3 percentage point from the March release. Per capita income in Mississippi ranked fiftieth among all states in 2022 after the revisions, the same as in the initial estimate. West Virginia had the second-smallest per capita personal income among all states in

2022 of \$49,993, just over \$3,600 or 7.8 percent more than in Mississippi.

BEA also reported personal income in Mississippi increased at an annualized rate of 2.3 percent in the second quarter of 2023, which ranked forty-second among all states. This growth followed an increase in the first quarter of this year of 4.9 percent, which ranked fortieth among all states.

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