

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

As seen in Figure 1 the value of the Mississippi Leading Index (MLI) rose 0.3 percent in January, the third increase in the last four months. Compared to one year earlier the value of the MLI for the month was up 1.1 percent.

The value of the Mississippi Coincident Index for January is unavailable until April due to annual revisions by the Philadelphia Federal Reserve.

According to the second estimate of the U.S. Bureau of Economic Analysis, U.S. real gross domestic product (GDP) increased 2.3 percent at a seasonally-adjusted, annualized rate in the fourth quarter of 2024. This rate is unchanged from the initial estimate. In the second estimate,

government spending and net exports were revised up, and these upward revisions were offset by downward revisions to consumer spending and investment. The change in U.S. real GDP for all of 2024 remained an increase of 2.8 percent.

The MLI rose in January following a strong month from income tax withholdings. However, gains in the components were not widespread as only three components increased. The Mississippi Manufacturing employment Intensity Index posted a solid gain in January following increases in the average weekly hours of production employees and in Manufacturing employment. The only other component that increased for the month was initial unemployment

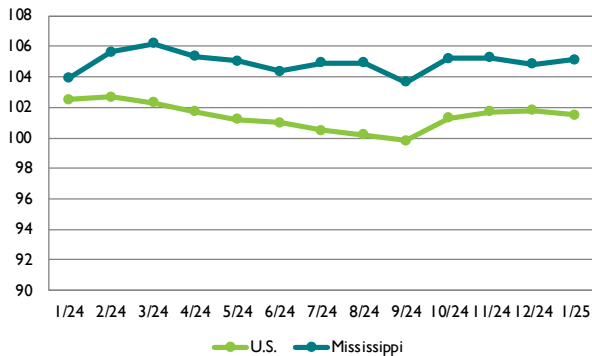
claims. A relatively large increase in total employment in the state occurred in January; nevertheless, following data revisions employment grew less in 2024 than previously estimated. Although January was a solid month for the MLI, some concerns emerged. Most notable was the substantial decrease in the University of Michigan Index of Consumer Expectations. Similarly, the largest decrease in U.S. retail sales in almost a year occurred in January. While a recession in the U.S. economy is still not the base case, the odds of recession in the next twelve months have increased materially over the last four to five weeks according to the projections of several national forecasting firms.

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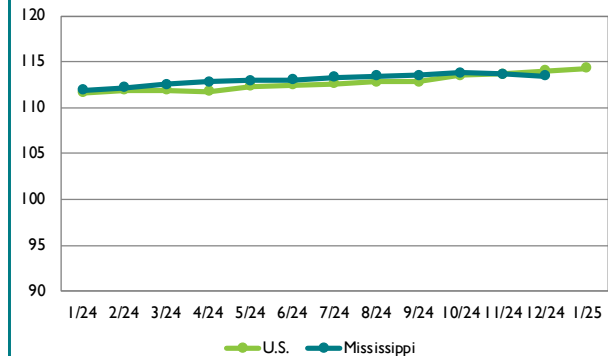
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Figure 1. Leading indices



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 2017. 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 2017.

MISSISSIPPI LEADING INDEX, JANUARY 2025

The value of the **Mississippi Leading Index of Economic Indicators (MLI)** increased 0.3 percent in January as seen in Figure 3, the third increase in the last four months. Compared to one year earlier the value of the MLI in January was 1.1 percent higher; over the last six months the value of the MLI rose 0.2 percent.

Only three of the seven components of the MLI increased in value in January, but a strong month from income tax withholdings led to the overall gain. Each component is discussed below in order of largest to smallest contribution.

Figure 4 indicates the value of **Mississippi income tax withholdings** (three-month moving average) increased 3.4 percent in January. Compared to one year earlier the value of withholdings for the month was 2.6 percent higher, the largest year-over-year increase since September 2022. The value of income tax withholdings in Mississippi declined 0.2 percent over the last six months.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi sank 16.9 percent in January as seen in Figure 5, the largest monthly decrease in two years. The value for the month was 19.9 percent lower compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 14.3 percent in January as seen in Figure 1 on page 5. The number of continued unemployment claims in the state was 6.8 percent lower in January compared to one year earlier. As seen in Figure 15 on page 5, the unemployment rate for Mississippi in January was 3.6 percent, unchanged from the previous month following data revisions. Com-

pared to one year earlier the rate for the month was up 0.8 percentage point.

The value of the **Mississippi Manufacturing Employment Intensity Index** rose 1.1 percent in January, its first increase since October. As seen in Figure 6 the value for the month was down 3.2 percent compared to one year earlier, the twelfth consecutive month with a year-over-year decrease. Both Manufacturing employment in the state and the average weekly hours of production employees in Mississippi increased in January.

In January the value of **Mississippi residential building permits** (three-month moving average) fell 1.9 percent, the fifth decrease in the last six months. As seen in Figure 7, the value for the month was also 1.9 percent lower compared to one year earlier. The number of units in the state declined 5.1 percent in January. Compared to one year earlier the number of units in the state for the month was 0.2 percent higher. The number of privately-owned housing units authorized by building permits in the U.S. was up 0.1 percent in January from the revised December rate. The number of units in the U.S. in January, in contrast, was down 1.7 percent compared to one year earlier.

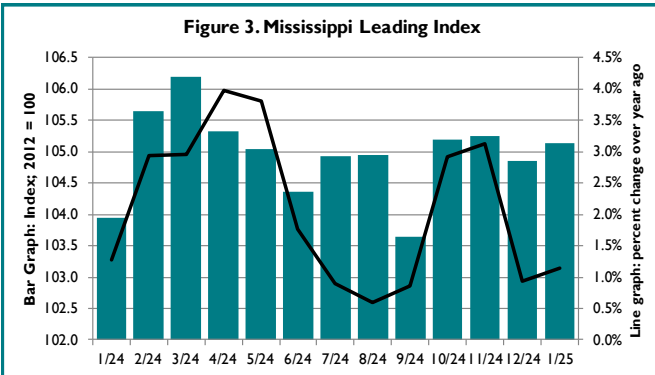
In February the value of the **ISM Index of U.S. Manufacturing Activity** decreased 1.2 percent as seen in Figure 8. The value for the month was up 5.7 percent compared to one year earlier. The largest increase among all components in February occurred in Inventories; the only other component to increase for the month was Supplier Deliveries. The prices paid index surged 7.5 percentage points in February. Aluminum,

cocoa beans, and electrical components were among the commodities reported up in price in February; the only commodity reported down in price was ocean freight.

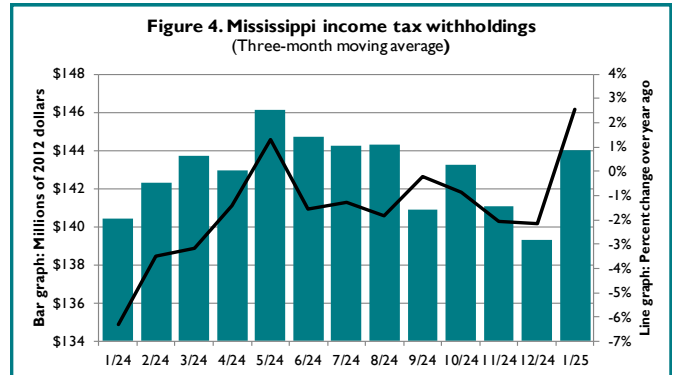
After four consecutive months of increases, the value of **U.S. retail sales** fell 0.9 percent in January as Figure 9 indicates, the largest monthly decrease since March 2023. Sales excluding automobiles and gasoline were down 0.5 percent. Compared to one year earlier retail sales for the month were 4.2 percent higher. Most segments saw declines in January and the largest decrease among all segments occurred in Sporting Goods and Hobbies. The largest increases among all segments occurred in Food Service and Drinking Places and Gasoline Stations; the only other segment where sales increased was General Merchandisers.

For the third consecutive month the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) decreased in January. As seen in Figure 4 the value fell 5.9 percent for the month. Compared to one year earlier the value in January was also down 5.9 percent, the first year-over-year decrease in two years. Much of the decline in January was the result of an increase in inflation expectations. Specifically, higher gasoline prices were likely the primary contributor to this increase. In the most recent survey short-term (one-year) inflation expectations reached their highest level since November 2023 while long-term (five-year) inflation expectations rose to their highest level on record.

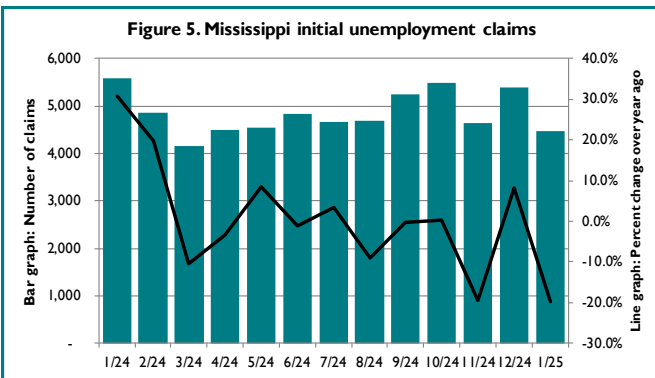
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



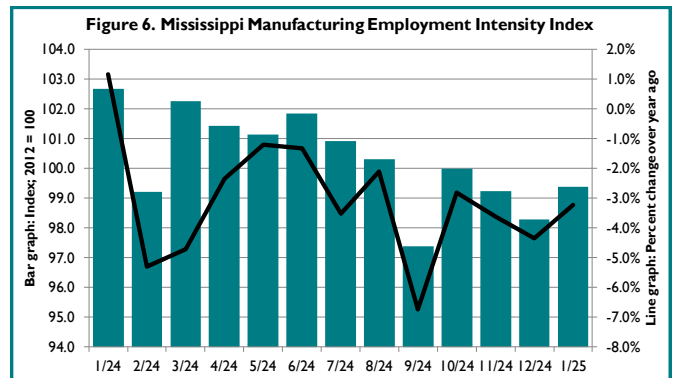
Source: University Research Center



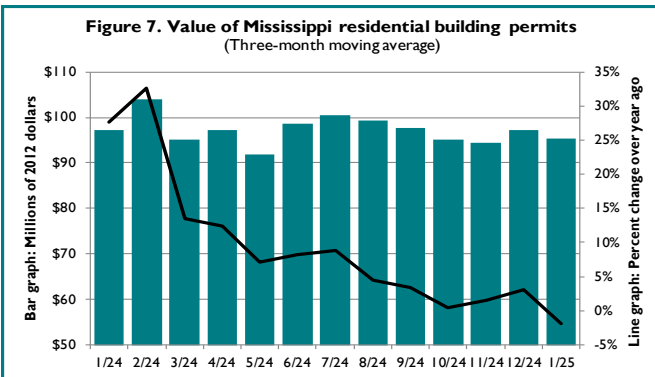
Source: Mississippi Department of Revenue; seasonally adjusted



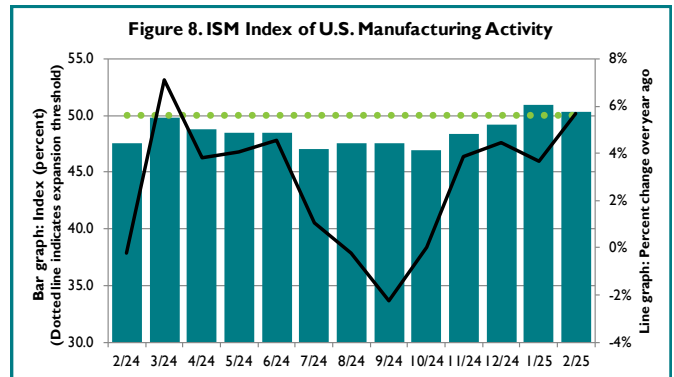
Source: U.S. Department of Labor; seasonally adjusted



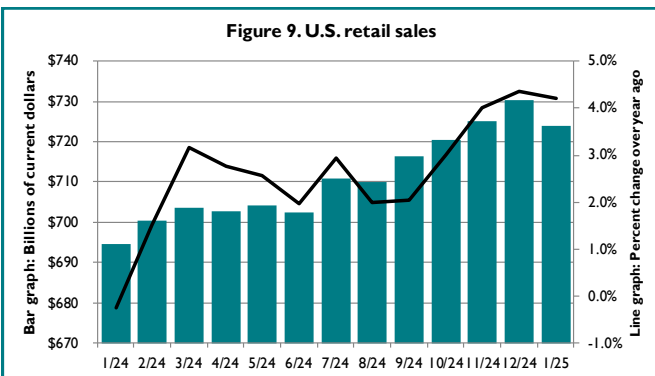
Source: URC using data from U.S. Bureau of Labor Statistics



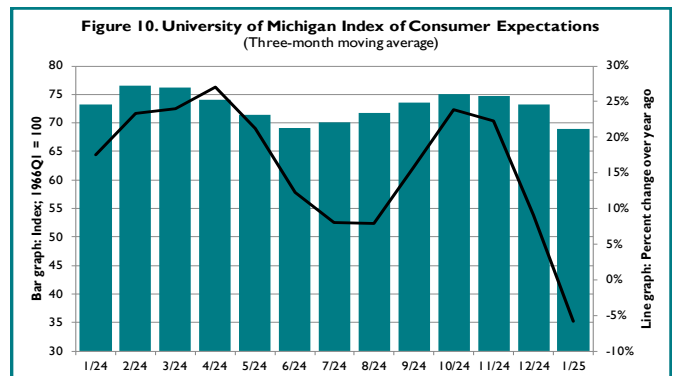
Source: URC using data from U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



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



Source: Thomson Reuters/University of Michigan Surveys of Consumers

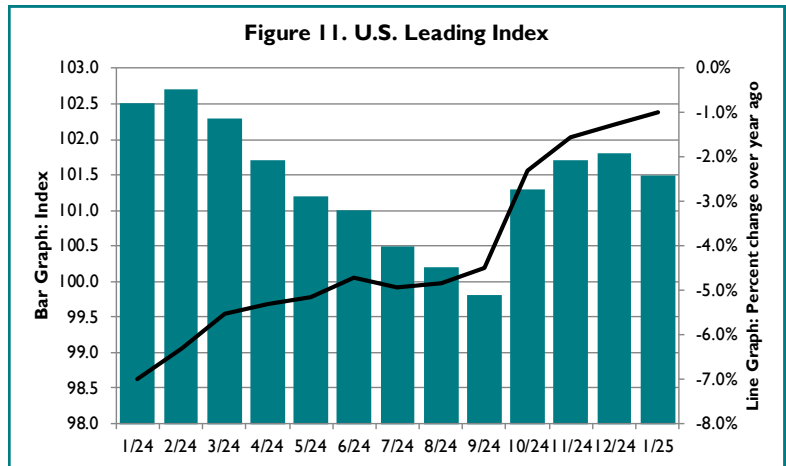
NATIONAL TRENDS

Figure 11 indicates the value of the U.S. Leading Economic Index (LEI) fell 0.3 percent in January according to The Conference Board. Compared to one year earlier the value was down 1.0 percent. Four of the ten components of the LEI made negative contributions for the month and one was unchanged. The largest negative contribution came from average weekly manufacturing hours, while average weekly initial claims for unemployment insurance made the largest positive contribution. Over the last six months the value of the LEI decreased 0.9 percent.

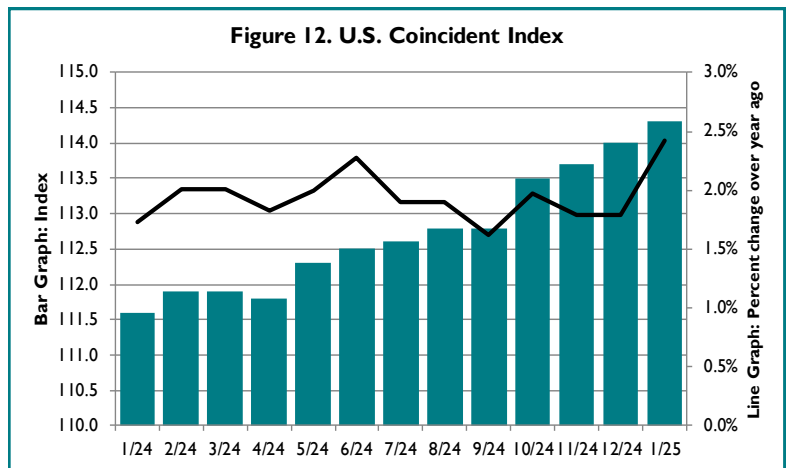
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.3 percent in January as Figure 12 indicates. The value of the CEI in January was up 2.4 percent compared to one year earlier. All four components of the CEI made positive contributions for the month and industrial production made the largest contribution. The value of the CEI increased 1.0 percent over the last six months.

In January the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 2.2 percent as seen in Figure 13, its first monthly decrease since last August. Compared to one year ago the value for the month was down 14.3 percent. The only component of the Index to increase in January was “earnings trends;” the value of the “current inventory” and “current job openings” components were unchanged. The largest decrease occurred in the “plans to increase inventories” component.

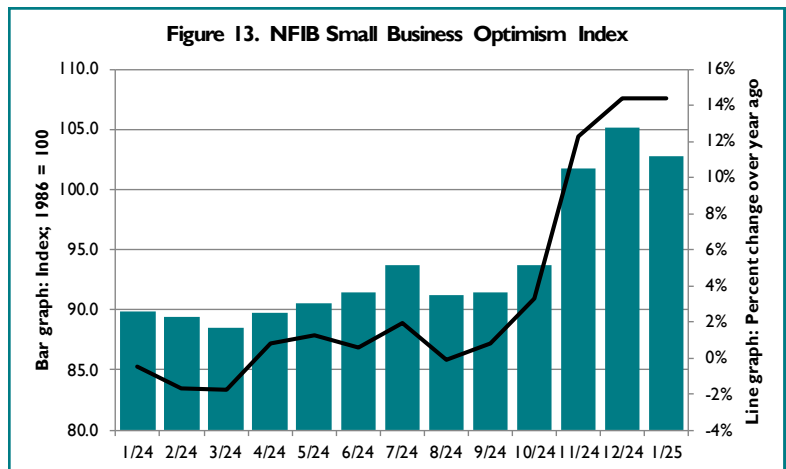
Despite better than expected data on inflation in recent weeks, the Federal Open Market Committee (FOMC) is not expected to take action on interest rates at its meeting this month. The latest U.S. employment data indicate the nation's labor market remains largely healthy, which lessens the pressure on the FOMC to reduce the federal funds rate target. More broadly, because changes in U.S. trade policy have the potential to increase inflation, the Federal Reserve will likely take a cautious approach in the coming months. In its latest forecast the firm S&P Global Market Intelligence expects the FOMC will not reduce interest rates until December.



Source: The Conference Board

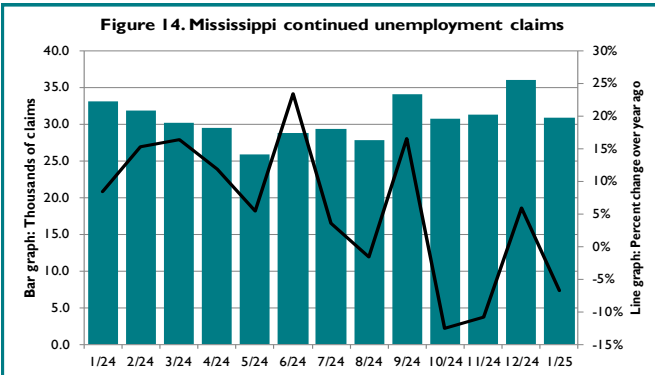


Source: The Conference Board

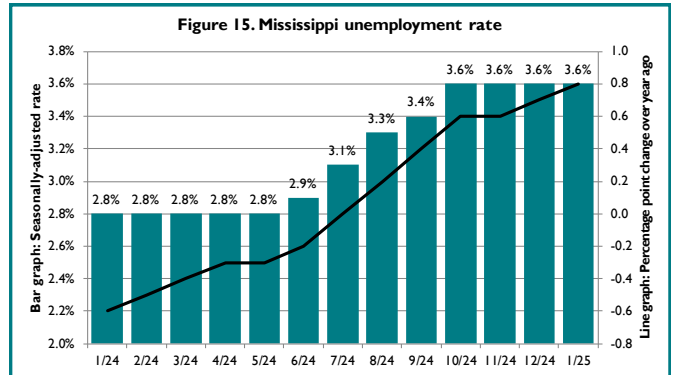


Source: National Federation of Independent Businesses

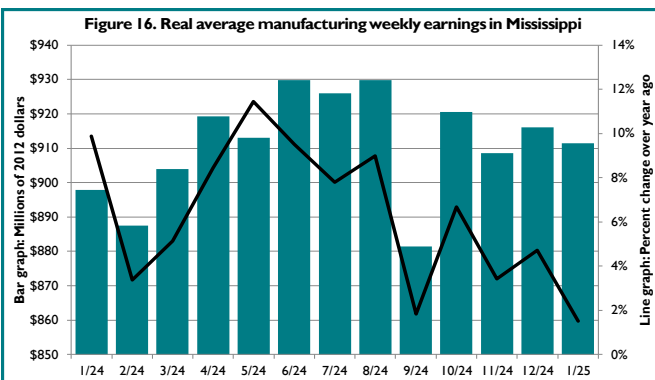
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



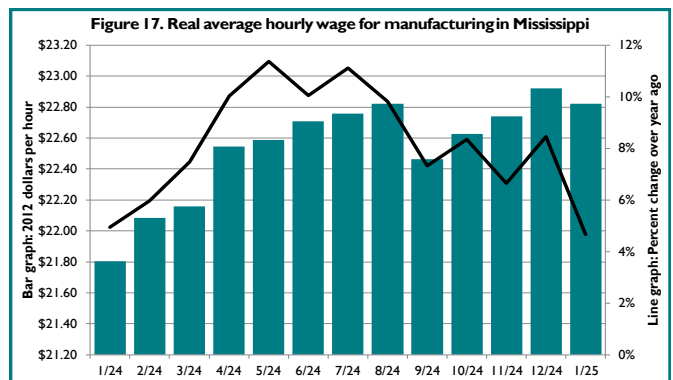
Sources: U.S. Department of Labor, URC (seasonal adjustment)



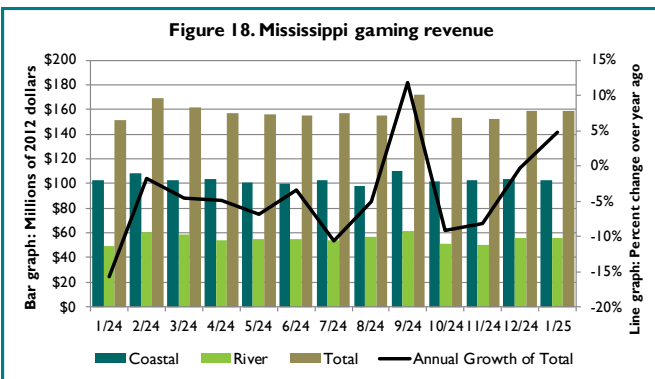
Source: U.S. Bureau of Labor Statistics



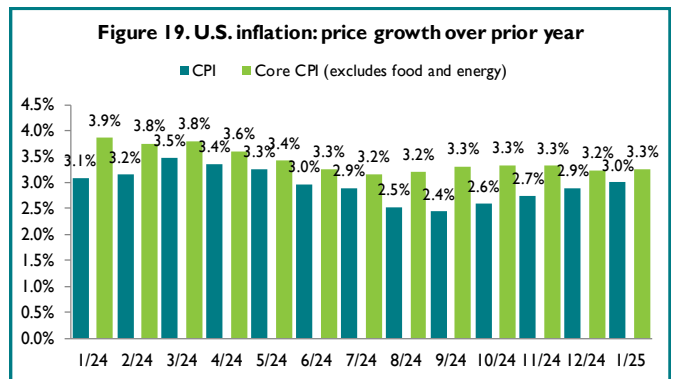
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



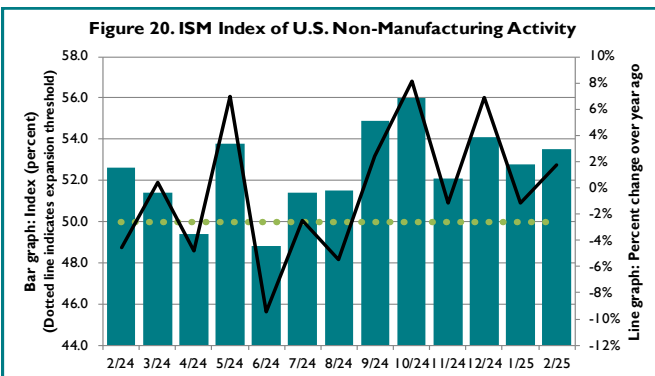
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



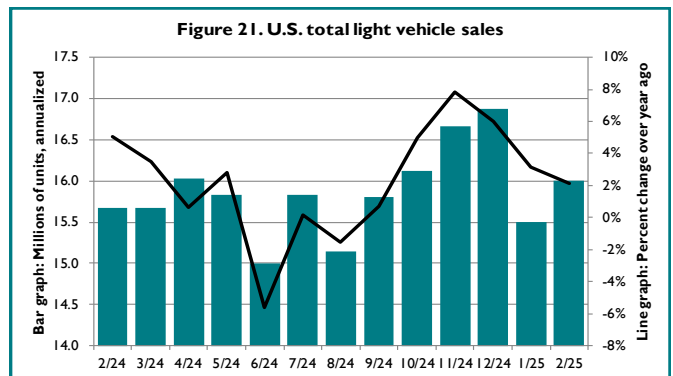
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



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	January	December	January	Percent change from	
	2025	2024	2024	December 2024	January 2024
U.S. Leading Economic Index 2016 = 100. Source: The Conference Board	101.5	101.8	102.5	▼0.3%	▼1.0%
U.S. Coincident Economic Index 2016 = 100. Source: The Conference Board	114.3	114.0	111.6	▲0.3%	▲2.4%
Mississippi Leading Index 2017 = 100. Source: University Research Center	124.1	122.8	121.2	▲1.1%	▲2.4%
Mississippi Coincident Index 2017 = 100. Source: Federal Reserve Bank of Philadelphia	NA	120.2	118.5	NA	NA
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,475	5,382	5,587	▼16.9%	▼19.9%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Bureau of the Census	95.3	97.1	97.1	▼1.9%	▼1.9%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	144.0	139.3	140.4	▲3.4%	▲2.6%
Mississippi Manufacturing Employment Intensity Index 2017 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	105.9	103.3	101.5	▲2.5%	▲4.3%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	68.9	73.2	73.2	▼5.9%	▼5.9%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	50.3	50.9	47.6	▼1.2%	▲5.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	723.9	730.3	694.7	▼0.9%	▲4.2%
U.S. Consumer Price Index (CPI)	317.7	315.6	308.4	▲0.7%	▲3.0%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	323.8	322.0	313.6	▲0.6%	▲3.3%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.6%	3.6%	2.8%	◀▶0.0	▲0.8
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	30,927	36,101	33,177	▼14.3%	▼6.8%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	53.5	52.8	52.6	▲1.3%	▲1.7%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	7.34%	6.94%	6.97%	▼0.40	▲0.37
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	21.67	21.28	20.68	▲1.8%	▲4.8%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	904.74	870.67	817.05	▲3.9%	▲10.7%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	102.8	105.1	89.9	▼2.2%	14.3%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.00	15.50	15.67	▲3.2%	▲2.1%
Gaming revenue	158.66	159.40	151.5	▼0.5%	▲4.8%
Coastal counties	103.17	103.65	102.4	▼0.5%	▲0.7%
River counties Seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	55.49	55.75	49.0	▼0.5%	▲13.1%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) completed its annual benchmark revisions to regional and state employment data this month. BLS reported the state added 8,025 jobs in 2024, an increase of 0.7 percent.

In January, Mississippi added 4,500 jobs according to BLS as seen in Table 2, an increase of 0.4 percent. Employment in the state in January was higher by 16,900 jobs compared to one year earlier, a gain of 1.4 percent.

BLS reported total nonfarm employment decreased in four states in January and was essentially unchanged in forty-six states and the District of Columbia. Georgia lost 28,200 jobs for the month, the most among all states, followed by Missouri, which lost 17,200 jobs, Indiana, which lost 12,600 jobs, and West Virginia, which lost 4,000 jobs. Georgia and Missouri had the

largest percentage decreases in employment among all states in January of 0.6 percent each.

Employment increased in seventeen states over the past twelve months as of January and was essentially unchanged in thirty-three states and the District of Columbia according to BLS. Texas added 187,700 jobs over the past twelve months, the largest increase among all states. Employment rose 2.8 percent in Alaska and Idaho over the past twelve months, the largest percentage increases among all states.

The largest increase in employment among all sectors in Mississippi in January occurred in Construction, which added 1,800 jobs, a 3.6 percent increase, which was also the largest percentage gain in employment among all sectors. The largest decrease in employment among all sectors in the state in January occurred in Financial Activities, which

lost 600 jobs. The largest percentage decrease in employment among all sectors in the state occurred in the Information sector, where employment fell 2.1 percent, a loss of 200 jobs.

The Health Care and Social Assistance sector added 4,800 jobs over the past twelve months as of January, the most among all sectors in the state and a 3.4 percent increase. Employment in the Arts and Entertainment sector rose 8.1 percent over the past twelve months, the largest percentage increase in employment among all sectors in the state and an addition of 1,100 jobs. The largest decrease in employment among all sectors in the state over the last twelve months occurred in Manufacturing, which lost 400 jobs. The largest percentage decrease occurred in Mining and Logging, where employment fell 5.0 percent over the last twelve months, a loss of 300 jobs.

Table 2. Change in Mississippi employment by industry, January 2025

	Relative share of total ^a	January 2025	December 2024	January 2024	Change from December 2024		Change from January 2024	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,199,300	1,194,800	1,182,400	▲4,500	▲0.4%	▲16,900	▲1.4%
Mining and Logging	0.5%	5,700	5,800	6,000	▼100	▼1.7%	▼300	▼5.0%
Construction	4.3%	52,400	50,600	49,100	▲1,800	▲3.6%	▲3,300	▲6.7%
Manufacturing	11.9%	141,600	141,300	142,000	▲300	▲0.2%	▼400	▼0.3%
Trade, Transportation & Utilities	20.8%	247,700	247,300	247,500	▲400	▲0.2%	▲200	▲0.1%
Retail Trade	11.7%	138,900	138,200	139,100	▲700	▲0.5%	▼200	▼0.1%
Information	0.8%	9,400	9,600	9,700	▼200	▼2.1%	▼300	▼3.1%
Financial Activities	3.8%	45,100	45,700	45,100	▼600	▼1.3%	◀0	◀0.0%
Services	37.8%	456,200	453,700	444,800	▲2,500	▲0.6%	▲11,400	▲2.6%
Professional & Business Services	9.9%	119,400	118,500	117,100	▲900	▲0.8%	▲2,300	▲2.0%
Educational Services	1.2%	14,600	14,500	13,500	▲100	▲0.7%	▲1,100	▲8.1%
Health Care and Social Assistance	11.9%	144,300	144,100	139,500	▲200	▲0.1%	▲4,800	▲3.4%
Arts and Entertainment	0.9%	10,900	10,800	10,100	▲100	▲0.9%	▲800	▲7.9%
Accommodation and Food Services	10.5%	127,500	126,600	124,900	▲900	▲0.7%	▲2,600	▲2.1%
Other Services	3.3%	39,500	39,200	39,700	▲300	▲0.8%	▼200	▼0.5%
Government	20.1%	241,200	240,800	238,200	▲400	▲0.2%	▲3,000	▲1.3%

^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 22a. Nonfarm employment

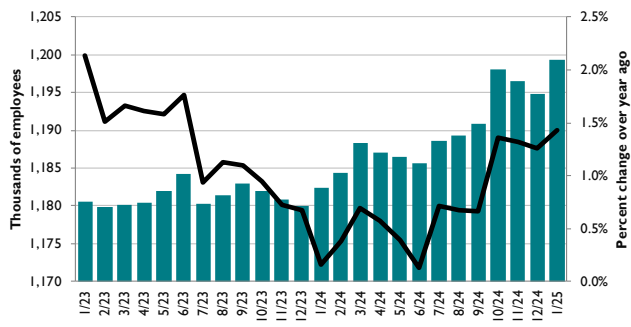


Figure 22b. Mining and Logging

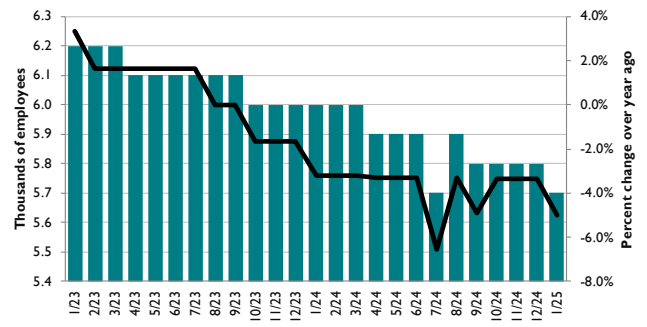


Figure 22c. Construction

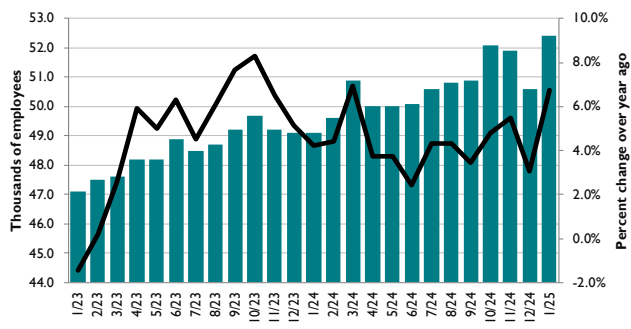


Figure 22d. Manufacturing

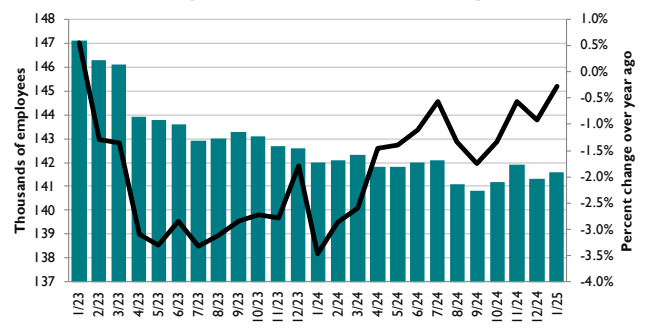


Figure 22e. Trade, transportation, and utilities

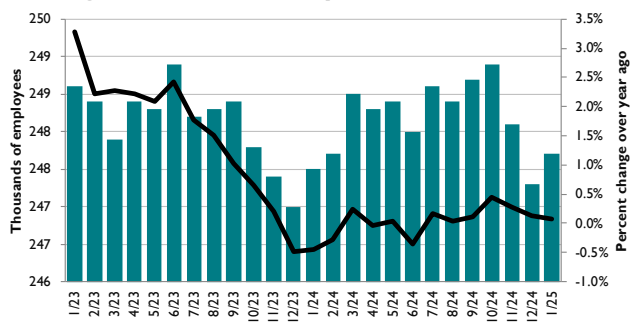


Figure 22f. Information

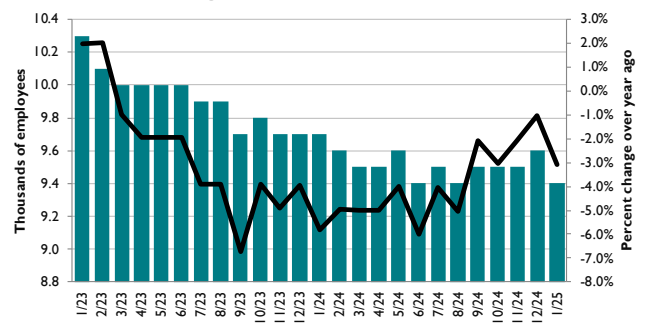


Figure 22g. Financial activities

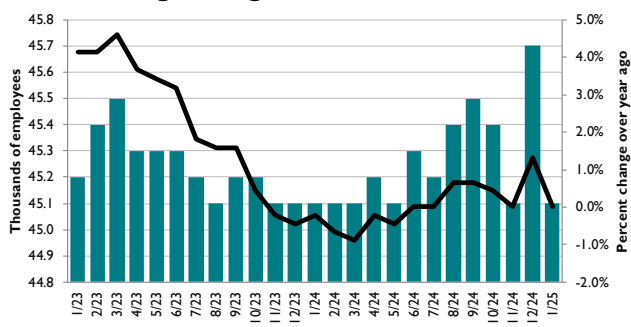
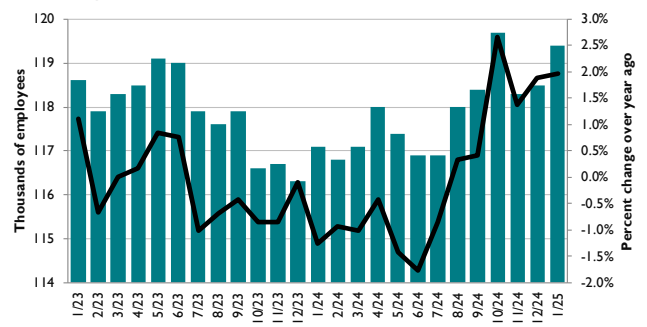
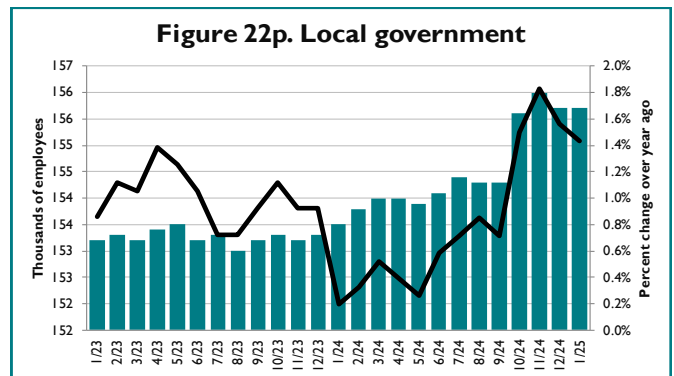
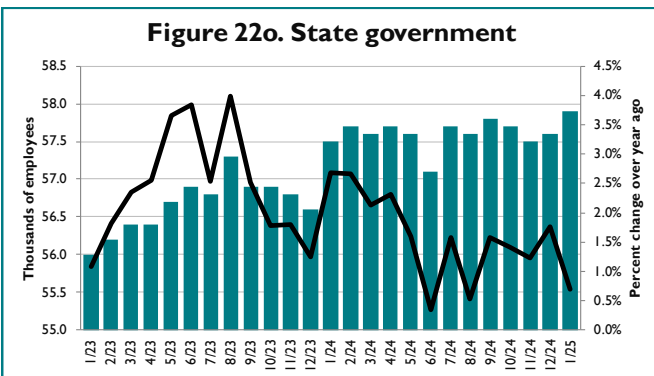
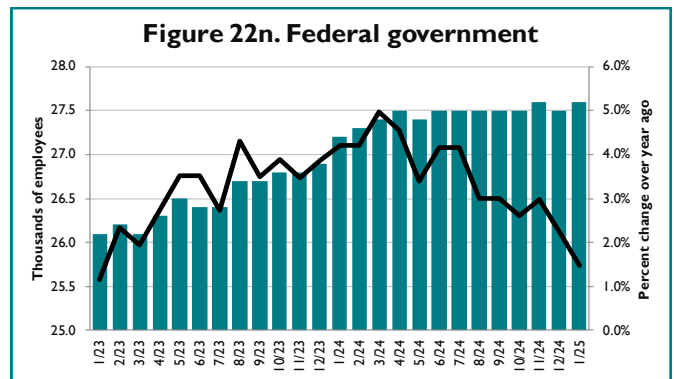
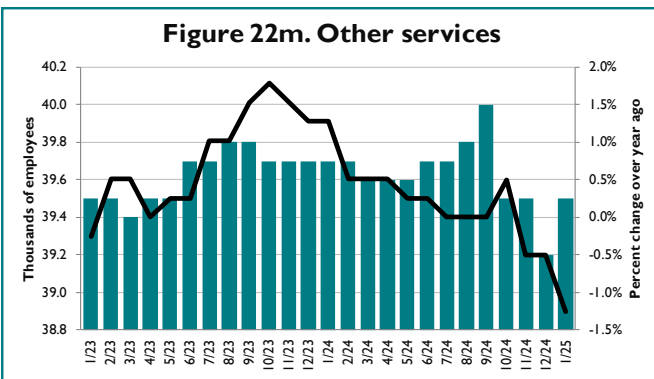
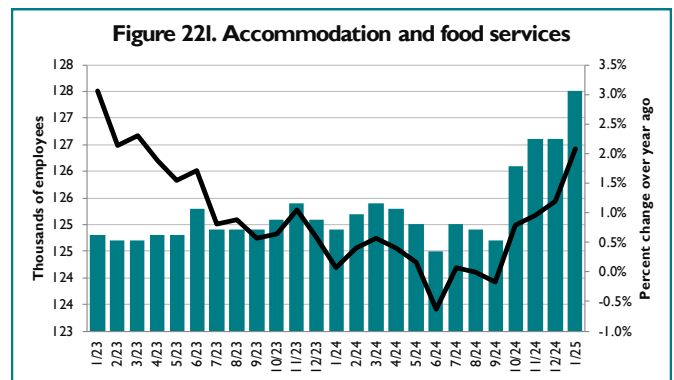
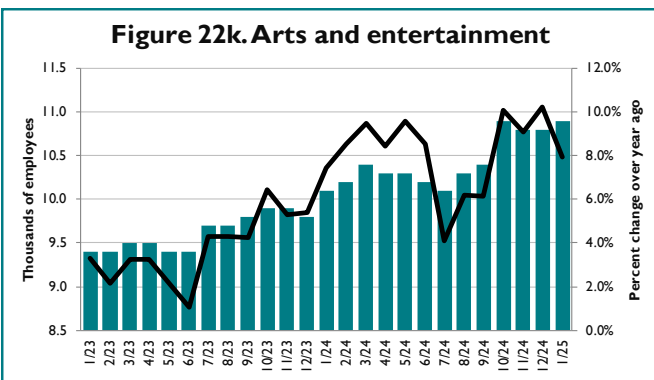
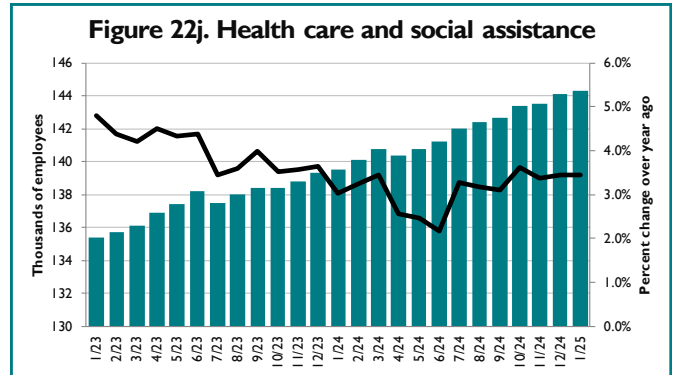
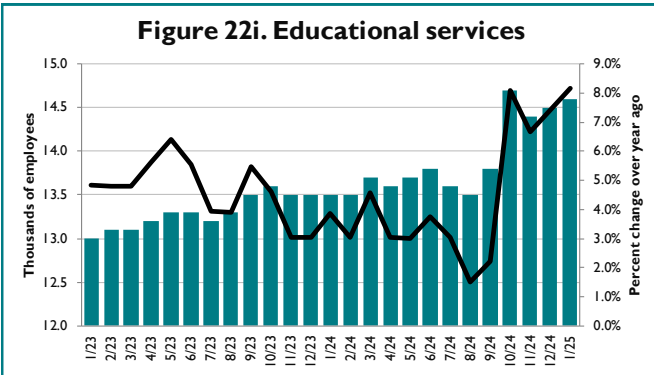


Figure 22h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

