

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

Figure 1 below indicates the value of the Mississippi Leading Index (MLI) was unchanged in June. The value of the MLI for the month was up 3.2 percent compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) fell 0.1 percent in June as seen in Figure 2. Compared to one year ago the value for the month was up 1.7 percent.

U.S. gross domestic product (GDP) increased at a seasonally-adjusted, annualized rate of 2.8 percent in the second quarter of 2024 according to the first estimate of the U.S. Bureau of Economic Analysis

(BEA). The expansion resulted from increases in consumer spending, private inventory investment, and nonresidential fixed investment. Growth in private inventory investment and consumer spending accelerated in the second quarter compared to the first quarter, which was partially offset by a drop in residential fixed investment.

Following two consecutive months of decreases the MLI was unchanged in June. Most components decreased, but these declines were offset by strong months for initial unemployment claims and building permits in the state. Con-

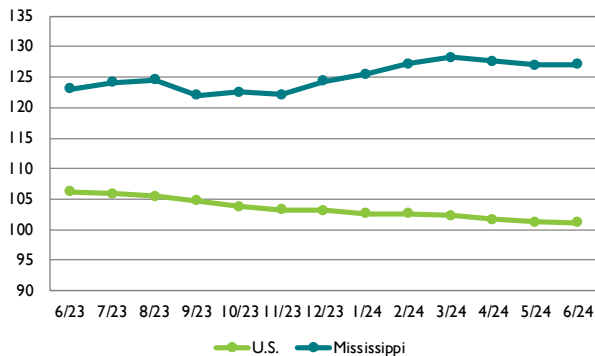
sumer expectations and the ISM Manufacturing Index weighed heavily on the MLI in June. Retail sales were basically flat for the month. Notably, income tax withholdings in Mississippi fell in June after surprisingly increasing for four consecutive months. Together the leading indicators depicted the same scenario as in recent months, a U.S. economy that is slowing but not headed for a recession. Employment in the state fell in June, but the levels of unemployment claims do not signal a downturn in the labor market is imminent. A cut in interest rates later this year could provide a lift to consumer expectations.

Inside this issue:

Mississippi Leading Index, June 2024	2
Mississippi Coincident Index, June 2024	4
National Trends	5
Mississippi Employment Trends	8
Change in Labor Force Participation by State in 2023	11

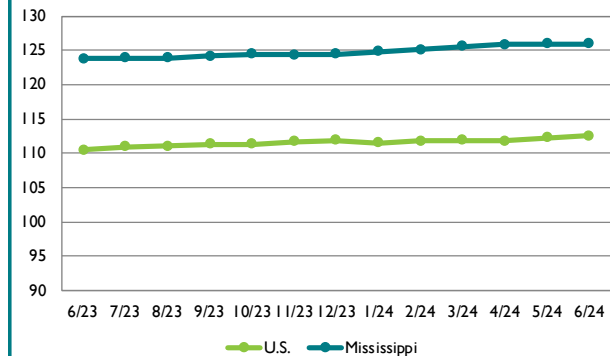
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Figure 1. Leading indices



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, JUNE 2024

After two consecutive months of decreases, the value of the **Mississippi Leading Index of Economic Indicators (MLI)** was unchanged in June as seen in Figure 3. The value for the month was up 3.2 percent compared to one year earlier. Over the last six months the value of the MLI increased 2.2 percent.

Only two of the seven components of the MLI increased in value in June. The largest positive contribution came from initial unemployment claims while consumer expectations made the largest negative contribution for the third consecutive month. Each component is discussed below in order of largest to smallest contribution.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi sank 24.4 percent in June as seen in Figure 4. The monthly decrease was the largest since January 2023. Compared to one year earlier the value in June was down 36.6 percent, the largest year-over-year decline since September 2022. Figure 16 on page 6 indicates the number of seasonally-adjusted continued unemployment claims in Mississippi, in contrast, surged 40.2 percent in June, the largest monthly increase since May 2020. The number of continued unemployment claims in the state in June compared to one year earlier was up 67.2 percent, the largest year-over-year increase since March 2021. The unemployment rate in Mississippi was 2.8 percent in June as seen in Figure 17 on page 6, unchanged from the previous month. The rate in June was down 0.3 percentage point compared to one year earlier.

Mississippi residential building permits (three-month moving average) increased in value by 7.5 percent

in June as seen in Figure 5, the largest monthly gain since February. The value was 8.3 percent higher in June compared to one year earlier. The number of units in the state decreased 6.5 percent in June. Compared to one year earlier the number of units in the state for the month was 8.7 percent higher. The number of privately-owned housing units authorized by building permits in the U.S. increased 3.4 percent in June from the revised May rate. The number of units in the U.S. in June was 3.1 percent lower compared to one year earlier.

U.S. retail sales were essentially unchanged in value in June as seen in Figure 6. The value of May sales was revised up to an increase of 0.3 percent. Compared to one year earlier the value of retail sales in June was up 2.3 percent. Excluding automobiles and gasoline, sales were 0.8 percent higher for the month. A software issue in the inventory systems of many car dealers impacted their sales in June. The largest increase in sales among all segments in June occurred at Nonstore Retailers, while once again Gasoline Stations had the largest decrease in sales for the month among all segments.

The value of the **Mississippi Manufacturing Employment Intensity Index** fell for the third consecutive month in June. The value decreased 0.2 percent for the month as Figure 7 indicates. Compared to one year earlier the value in June was down 0.5 percent. Manufacturing employment in the state fell 0.4 percent in June, which was only partially offset by the increase in the average weekly hours of production employees in the state.

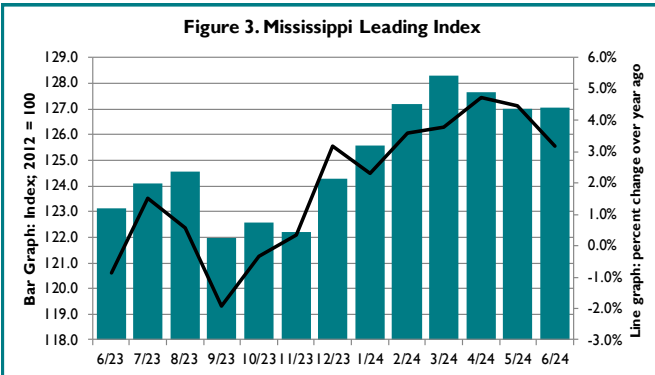
After four consecutive months of increases, the value of **Mississippi**

income tax withholdings (three-month moving average) fell 0.7 percent in June as seen in Figure 8. The value of withholdings in June was 1.6 percent lower compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi increased 4.2 percent.

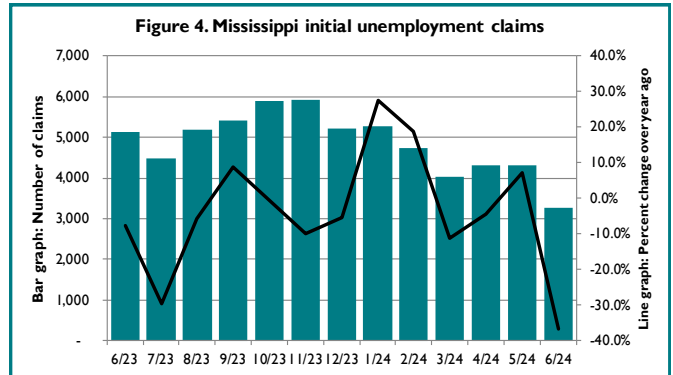
The value of the **ISM Index of U.S. Manufacturing Activity** tumbled 3.5 percent in July, its fourth consecutive monthly decline. As seen in Figure 9, compared to one year earlier the July value was up 4.5 percent. The only component to increase was Supplier Deliveries, which also entered expansion territory for the first time since February. The largest decrease among all components occurred in Employment, which fell to its lowest level since June 2020. The prices paid index rose slightly in July after two consecutive months of decreases. Raw materials reported with higher prices in July included aluminum, copper, and electrical components, while lower prices were reported for crude oil, natural gas, and steel.

For the fourth consecutive month, the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell in June. The value decreased 3.4 percent for the month as seen in Figure 10. Compared to one year earlier the value in June was up 12.3 percent. Gasoline prices rose slightly during the period of the most recent survey and likely weighed on expectations. Combined with relatively high interest rates and a somewhat softer labor market, consumers see little reason for optimism at the moment. Short-term (one-year) inflation expectations edged down in the most recent survey while long-term (five-year) expectations were unchanged for the fourth consecutive month.

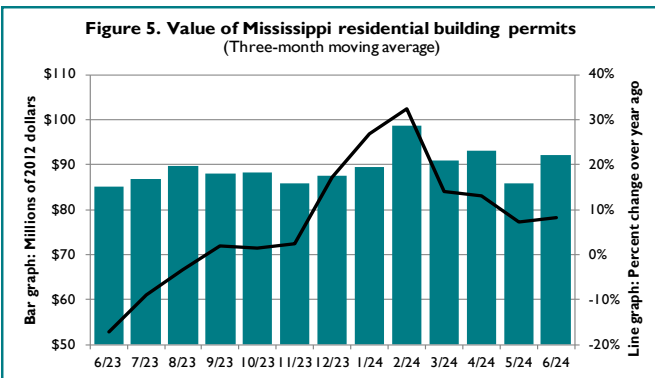
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



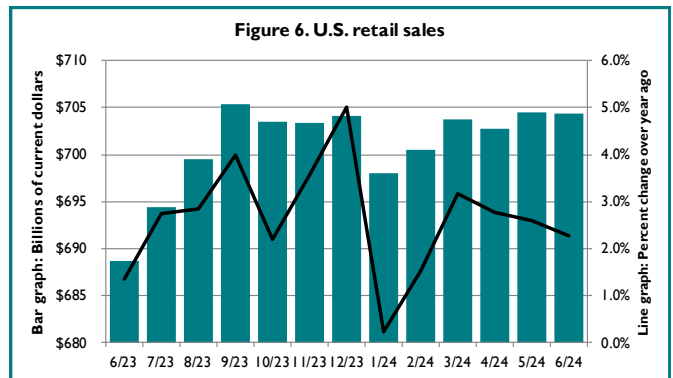
Source: University Research Center



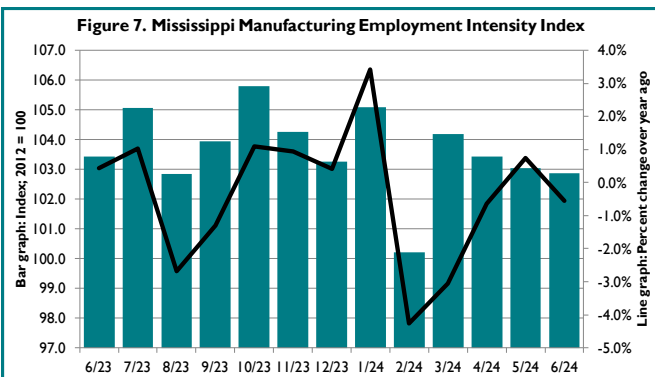
Source: U.S. Department of Labor; seasonally adjusted



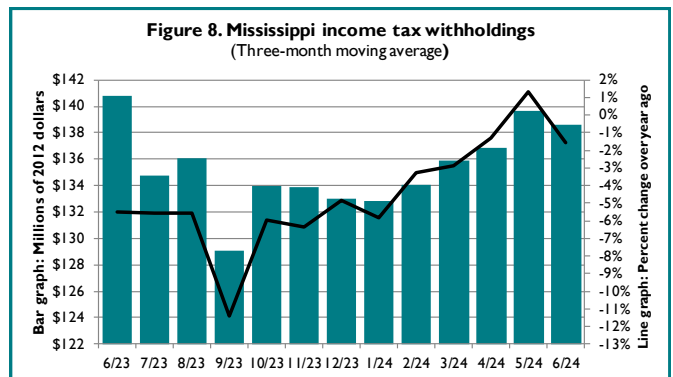
Source: URC using data from U.S. Bureau of Labor Statistics



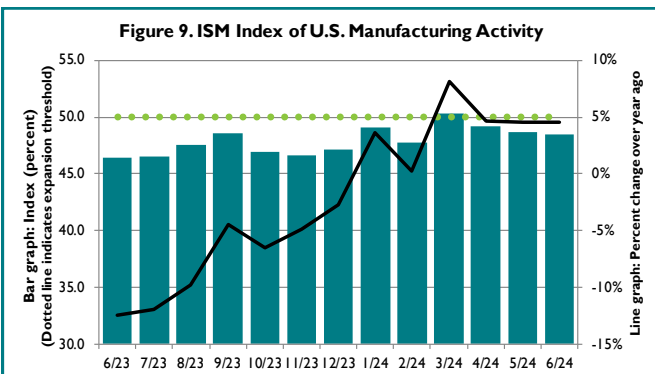
Source: U.S. Bureau of the Census; seasonally adjusted



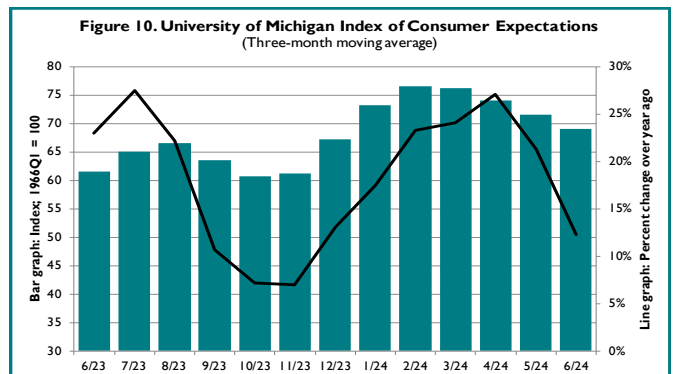
Source: URC using data from U.S. Bureau of Labor Statistics



Source: Mississippi Department of Revenue; seasonally adjusted



Source: Institute for Supply Management



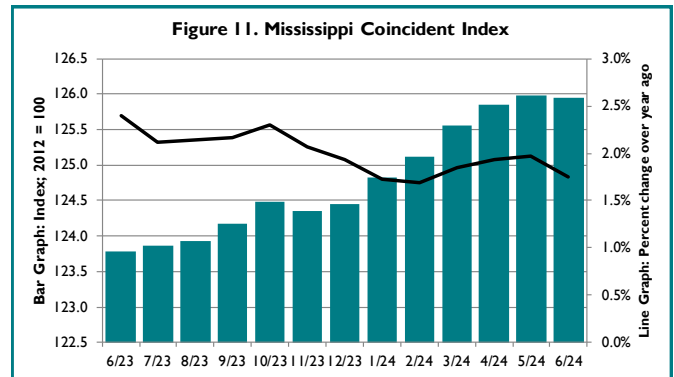
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI COINCIDENT INDEX, JUNE 2024

In June the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** decreased 0.1 percent according to the Federal Reserve Bank of Philadelphia. The decrease was the first since November 2023. The value of the MCI for the month was 1.7 percent higher compared to one year earlier.

As seen in Figure 12 the Federal Reserve Bank of Philadelphia reported the values of the coincident indices increased in forty-one states in June compared to March. The value of the coincident index rose more than 2.1 percent over the last three months in Montana, the largest increase among all states. The

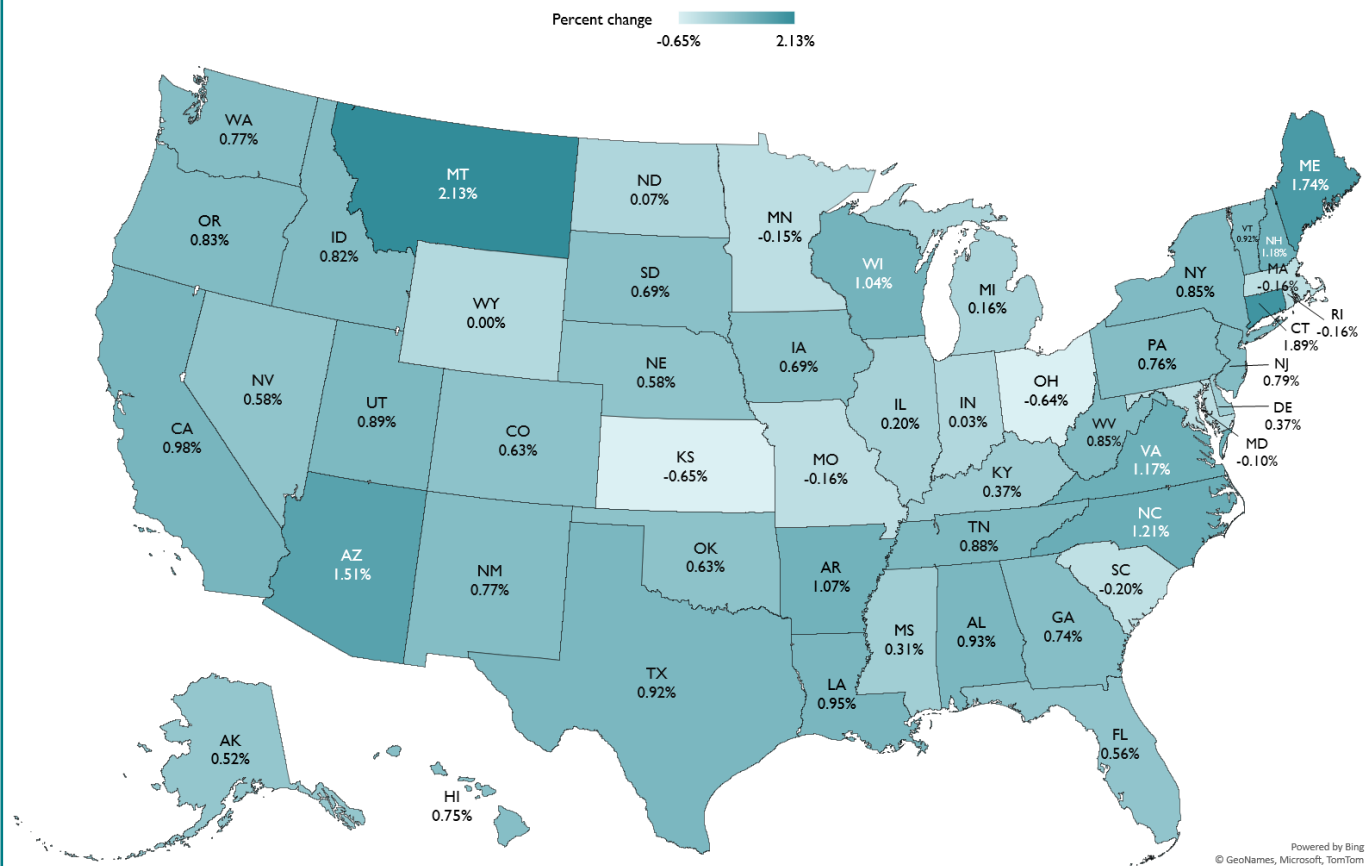
values of coincident indices rose more than 1.0 percent over the last three months in nine states. In twenty-six states the values of coincident indices increased between 0.5 percent and 1.0 percent in June compared to March. The values of the coincident indices increased less than 0.5 percent over the last three months in seven states including Mississippi. In Wyoming the value of the coincident index was unchanged



Source: Federal Reserve Bank of Philadelphia

over the last three months. The values of coincident indices decreased in June compared to March in eight states.

Figure 12. Three-month growth in the coincident index of economic indicators, June 2024



Source: Federal Reserve Bank of Philadelphia

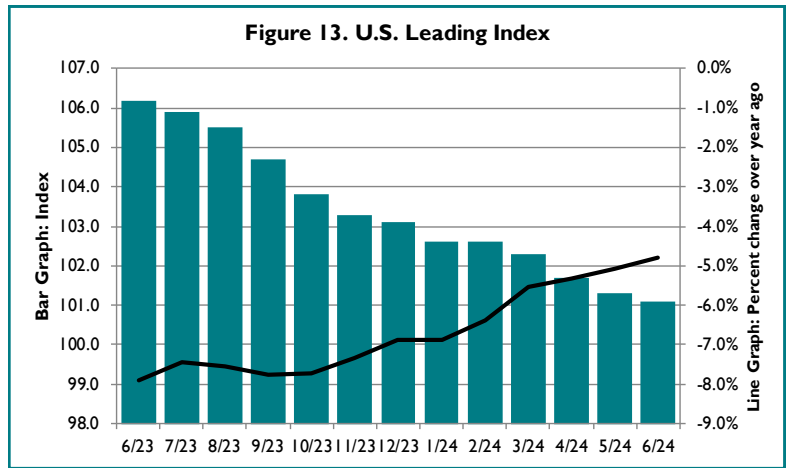
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.2 percent in June as Figure 13 indicates. Compared to one year ago the value for the month was 4.8 percent lower. Six of the ten components of the LEI made positive contributions in June and the largest positive contribution was made by the S&P 500® Index of Stock Prices. Average consumer expectations for business conditions made the largest negative contribution. The value of the LEI fell 1.9 percent over the last six months.

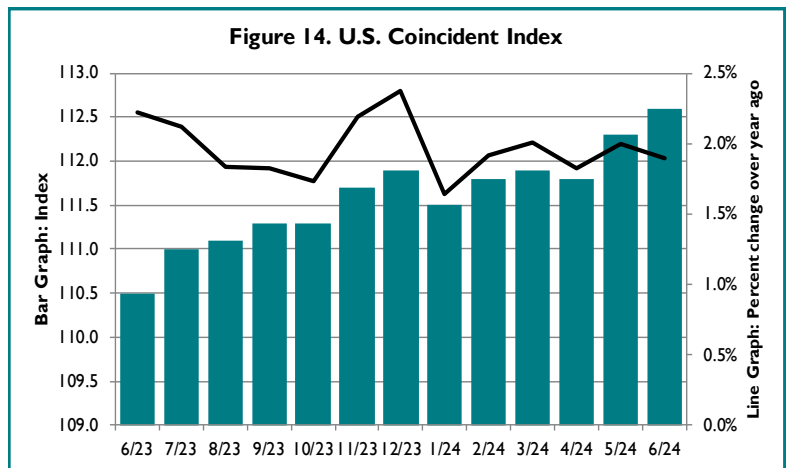
In contrast, the value of the U.S. Coincident Economic Index (CEI) rose 0.3 percent in June according to The Conference Board. As seen in Figure 14, compared to one year earlier the value of the CEI was 1.9 percent higher. In June all four components of the CEI made positive contributions. Industrial production made the largest contribution. The value of the CEI increased 0.6 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased in June, its third consecutive monthly gain. As Figure 15 indicates, the value rose 1.1 percent for the month to its highest level since December. Compared to one year earlier the value of the Index in June was 0.5 percent higher. Four of the ten components of the Index increased for the month and five were unchanged. The largest increase among all components occurred in the “current inventory” component.

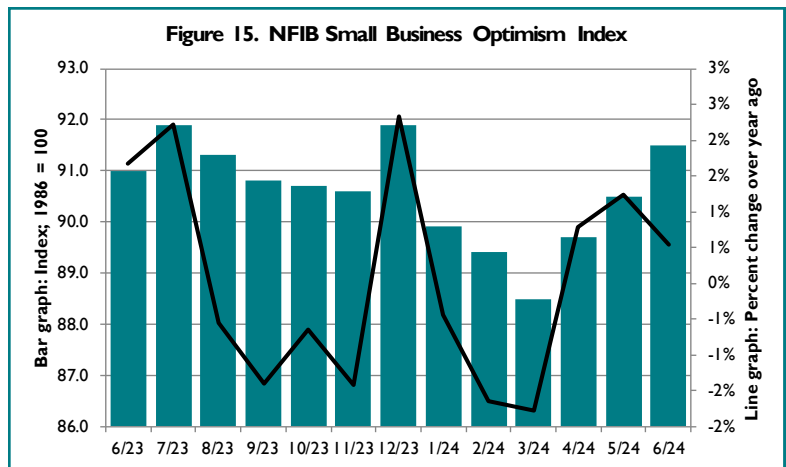
The Federal Open Market Committee (FOMC) kept the federal funds rate target at its current range between 5.25 and 5.5 percent at its July meeting, which most analysts expected. In a press conference following the meeting, Fed Chair Jerome Powell stated, “A reduction in the policy rate could be on the table as soon as the next meeting in September.” The FOMC’s policy statement released after the meeting described inflation as “somewhat elevated,” a less forceful term than used in recent months. As the nation’s labor market has softened somewhat in 2024, the Fed is becoming more concerned about balancing its dual mandate regarding prices and unemployment.



Source: The Conference Board

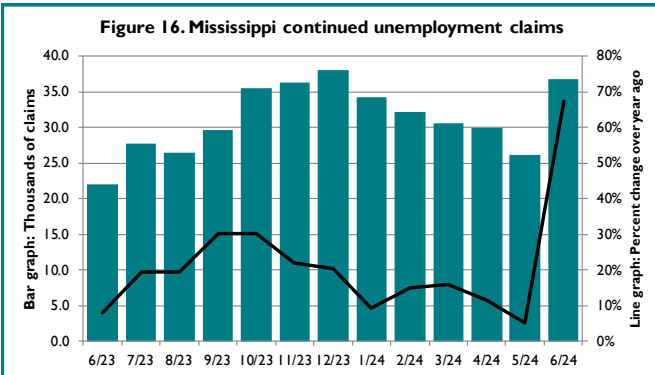


Source: The Conference Board

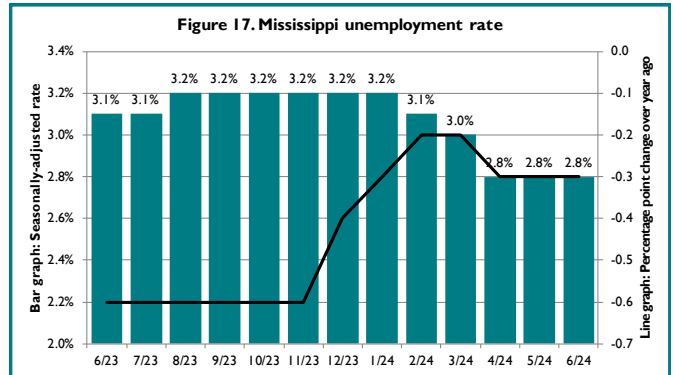


Source: National Federation of Independent Businesses

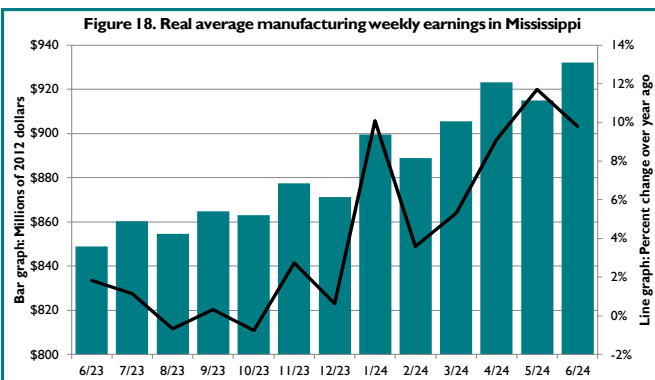
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



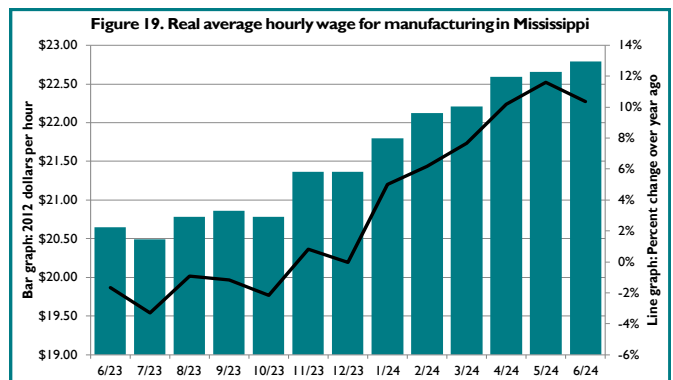
Sources: U.S. Department of Labor, URC (seasonal adjustment)



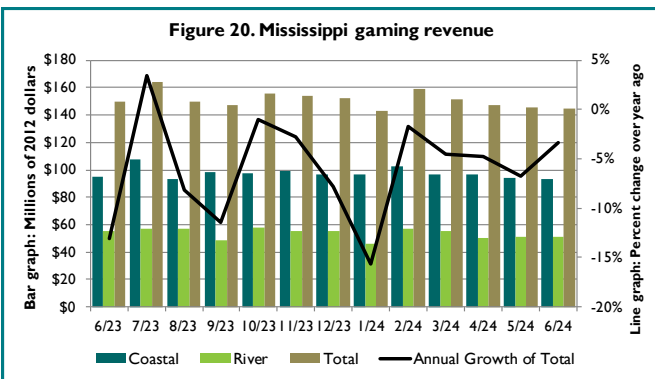
Source: U.S. Bureau of Labor Statistics



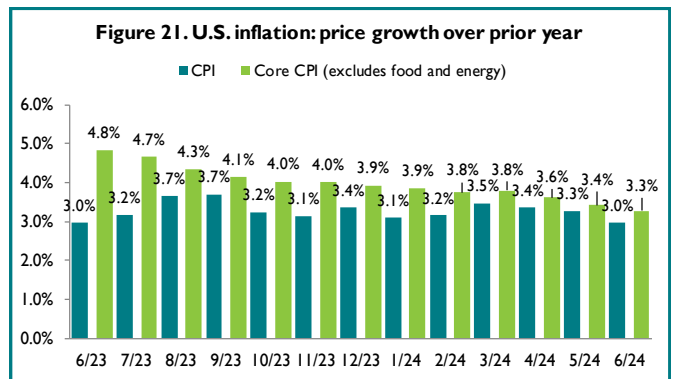
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



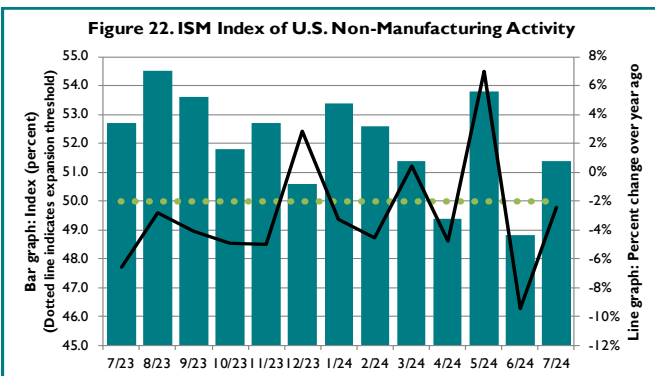
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



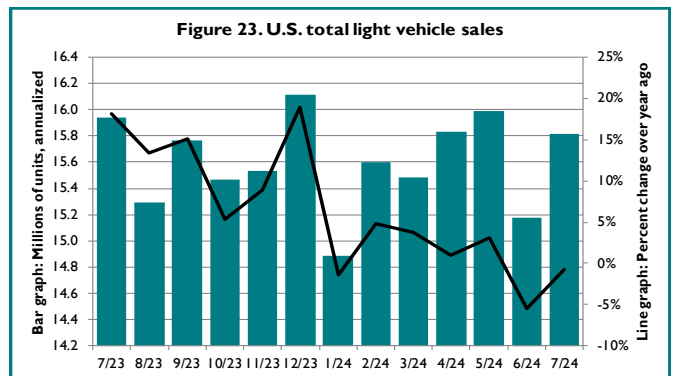
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



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	June	May	June	Percent change from	
	2024	2024	2023	May 2024	June 2023
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	101.1	101.3	106.2	▼0.2%	▼4.8%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	112.6	112.3	110.5	▲0.3%	▲1.9%
Mississippi Leading Index 2012 = 100. Source: University Research Center	127.0	127.0	123.1	◀▶0.0%	▲3.2%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	125.9	126.0	123.8	▼0.1%	▲1.7%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	3,261	4,315	5,145	▼24.4%	▼36.6%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	92.2	85.8	85.1	▲7.5%	▲8.3%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	138.6	139.6	140.8	▼0.7%	▼1.6%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	102.9	103.0	103.4	▼0.2%	▼0.5%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	69.1	71.5	61.5	▼3.4%	▲12.3%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	46.8	48.5	46.5	▼3.5%	▲0.6%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	704.3	704.5	688.6	◀▶0.0%	▲2.3%
U.S. Consumer Price Index (CPI)	314.2	314.1	305.1	◀▶0.0%	▲3.0%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	319.0	318.6	308.9	▲0.1%	▲3.3%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	2.8%	2.8%	3.1%	◀▶0.0	▼0.3
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	36,765	26,227	21,988	▲40.2%	▲67.2%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	51.4	48.8	52.7	▲5.3%	▼2.5%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.77%	6.89%	6.29%	▼0.13	▲0.48
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	22.79	22.65	20.65	▲0.6%	▲10.4%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	932.16	914.96	848.89	▲1.9%	▲9.8%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	91.5	90.5	91.0	▲1.1%	▲0.5%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.82	15.18	15.94	▲4.2%	▼0.8%
Gaming revenue	144.72	145.69	149.8	▼0.7%	▼3.4%
Coastal counties	93.55	94.37	94.6	▼0.9%	▼1.2%
River counties	51.17	51.32	55.1	▼0.3%	▼7.2%
Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue					

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi fell by 3,000 jobs in June according to the U.S. Bureau of Labor Statistics (BLS), a 0.3 percent decrease. The monthly decline was the largest since November 2023. Table 2 indicates 7,300 more individuals were employed in the state compared to one year ago, a 0.6 percent increase.

In June total nonfarm employment increased in eight states and was essentially unchanged in forty-two states and the District of Columbia according to BLS. The largest increase among all states occurred in North Carolina, which added 23,100 jobs, followed by Massachusetts, which added 19,000 jobs, and Virginia, which added 15,000 jobs. In Arkansas, New Hampshire, and New Mexico employment rose by 0.6 percent, the largest percentage increases in employment among all states.

BLS reported twenty-seven states added jobs over the last twelve months as of June and employment was essentially unchanged in twenty-three states and the District of Columbia. Texas added 267,400 jobs over the past twelve months, the most among all states, followed by California, which added 223,600 jobs, and Florida, which added 196,900 jobs. Employment rose 3.5 percent in South Carolina over the last twelve months as of June, the largest percentage increase in employment among all states.

Most sectors in Mississippi lost jobs in June. The Professional and Business Services sector added 400 jobs for the month, the largest increase among all sectors. Employment rose 3.2 percent in the Mining and Logging sector, the largest percentage increase among all sectors. The largest decrease in employment among all sectors in June occurred

in the Accommodation and Food Services sector, which lost 1,000 jobs for the month. The largest percentage decrease among all sectors occurred in the Educational Services sector, a decline of 3.0 percent and a loss of 500 jobs.

The Health Care and Social Assistance sector in Mississippi added 7,500 jobs over the past twelve months as of June, the most among all sectors in the state. Employment in the Arts and Entertainment sector rose 14.3 percent over the last twelve months, the largest percentage increase in employment among all sectors and a gain of 1,300 jobs. The Professional and Business Services sector lost 2,700 jobs over the past twelve months as of June, the most among all sectors in the state. Employment in the Information sector in June was down 8.0 percent compared to one year ago, the largest percentage decrease among all sectors in the state.

Table 2. Change in Mississippi employment by industry, June 2024

	Relative share of total ^a	June 2024	May 2024	June 2023	Change from May 2024		Change from June 2023	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,188,200	1,191,200	1,180,900	▼3,000	▼0.3%	▲7,300	▲0.6%
Mining and Logging	0.5%	6,500	6,300	6,200	▲200	▲3.2%	▲300	▲4.8%
Construction	4.1%	48,600	48,900	48,900	▼300	▼0.6%	▼300	▼0.6%
Manufacturing	12.2%	143,900	144,500	143,700	▼600	▼0.4%	▲200	▲0.1%
Trade, Transportation & Utilities	20.8%	247,300	247,600	248,300	▼300	▼0.1%	▼1,000	▼0.4%
Retail Trade	11.8%	139,900	139,700	138,900	▲200	▲0.1%	▲1,000	▲0.7%
Information	0.8%	9,200	9,400	10,000	▼200	▼2.1%	▼800	▼8.0%
Financial Activities	3.8%	45,100	45,500	45,300	▼400	▼0.9%	▼200	▼0.4%
Services	37.6%	447,900	449,300	442,300	▼1,400	▼0.3%	▲5,600	▲1.3%
Professional & Business Services	9.8%	115,700	115,300	118,400	▲400	▲0.3%	▼2,700	▼2.3%
Educational Services	1.1%	12,800	13,200	13,300	▼400	▼3.0%	▼500	▼3.8%
Health Care and Social Assistance	11.9%	144,500	145,200	137,000	▼700	▼0.5%	▲7,500	▲5.5%
Arts and Entertainment	0.8%	10,400	10,200	9,100	▲200	▲2.0%	▲1,300	▲14.3%
Accommodation and Food Services	10.6%	124,500	125,500	125,000	▼1,000	▼0.8%	▼500	▼0.4%
Other Services	3.3%	40,000	39,900	39,500	▲100	▲0.3%	▲500	▲1.3%
Government	20.1%	239,700	239,700	236,200	◀▶0	◀▶0.0%	▲3,500	▲1.5%

^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

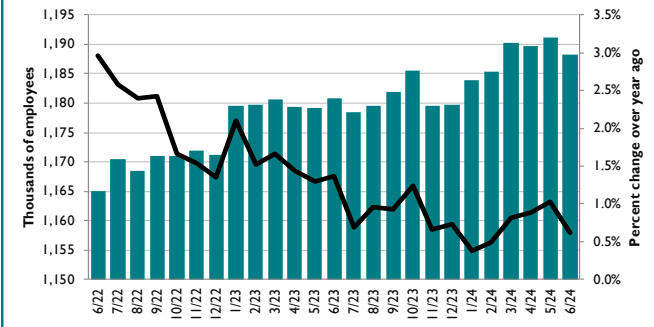


Figure 24b. Mining and Logging

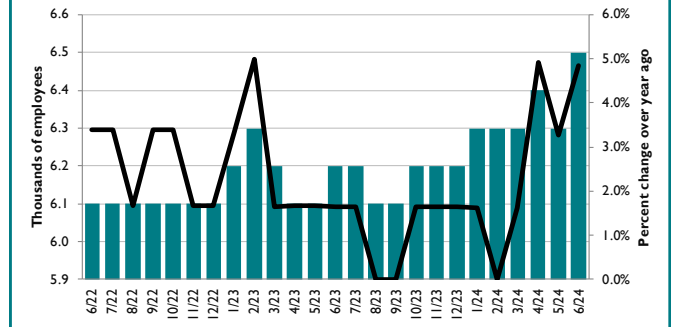


Figure 24c. Construction

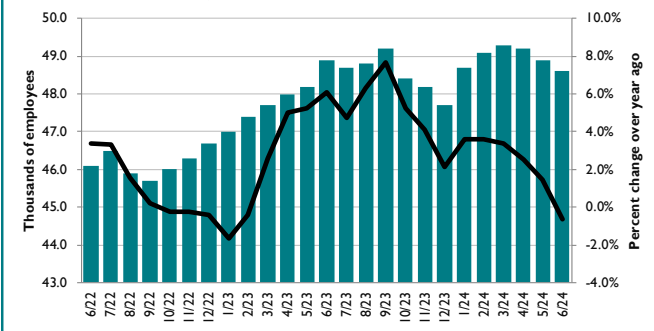


Figure 24d. Manufacturing

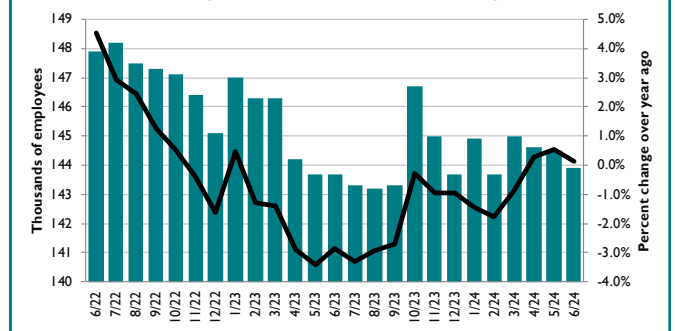


Figure 24e. Trade, transportation, and utilities

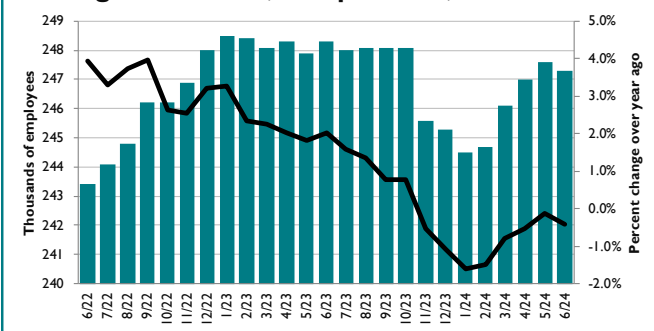


Figure 24f. Information

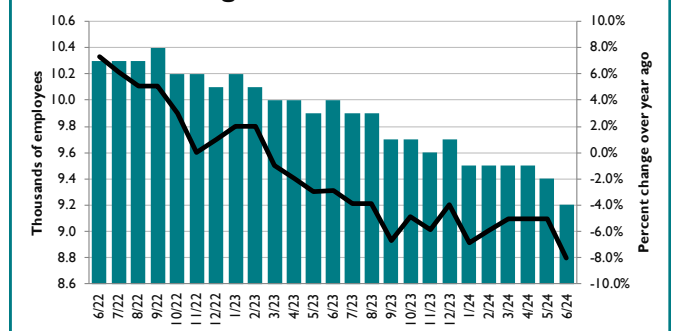


Figure 24g. Financial activities

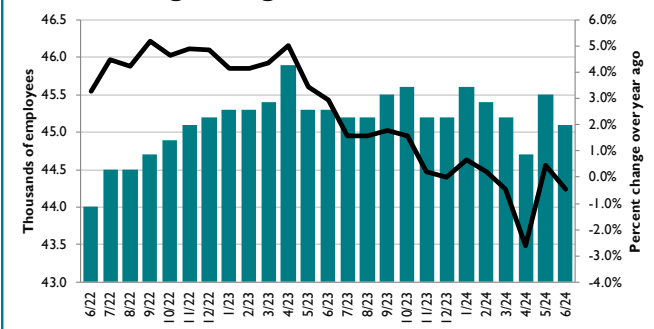
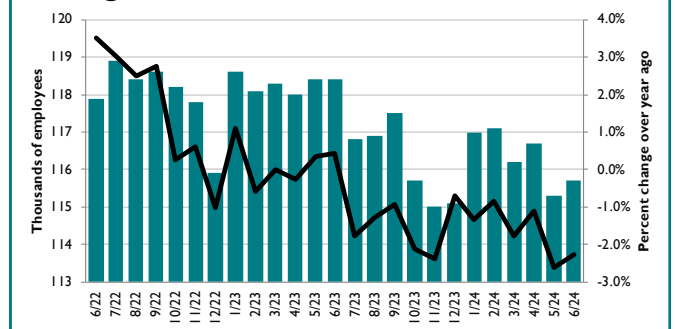


Figure 24h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

Figure 24i. Educational services

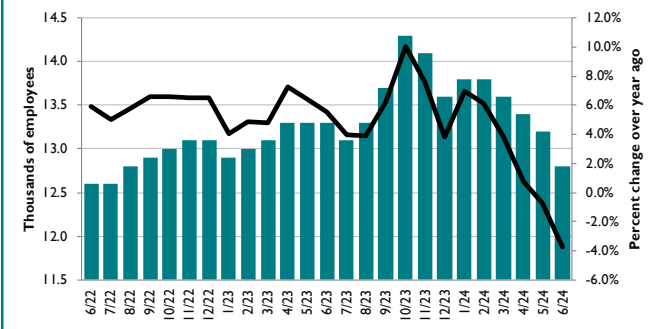


Figure 24j. Health care and social assistance

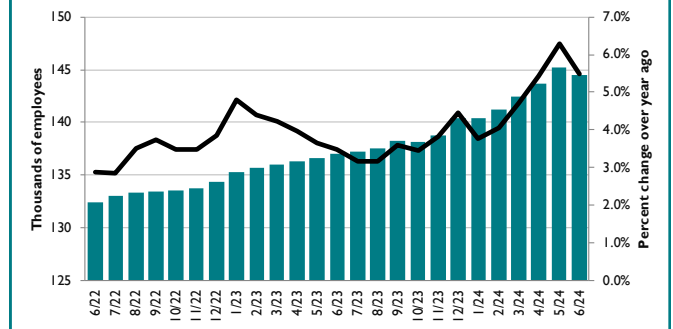


Figure 24k. Arts and entertainment

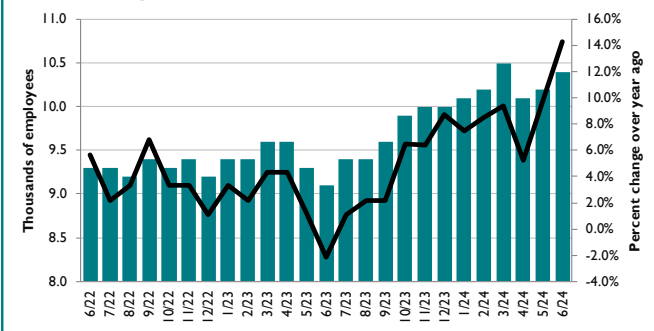


Figure 24l. Accommodation and food services

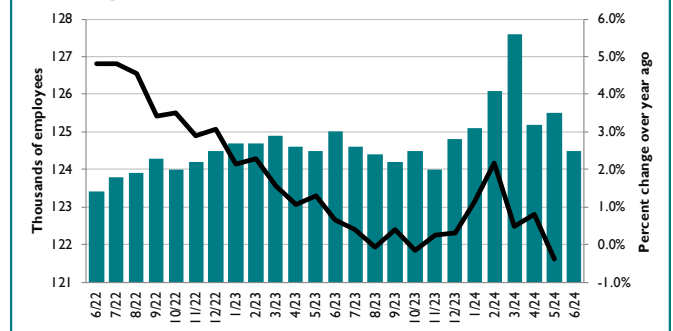


Figure 24m. Other services

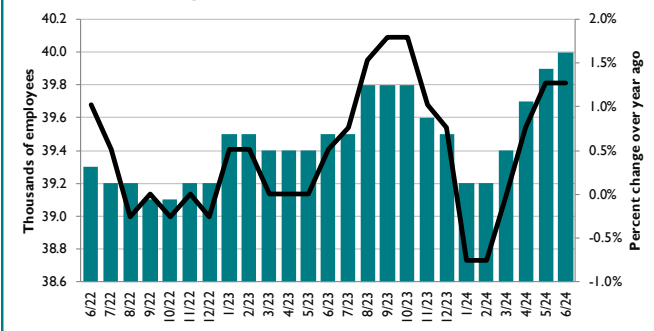


Figure 24n. Federal government

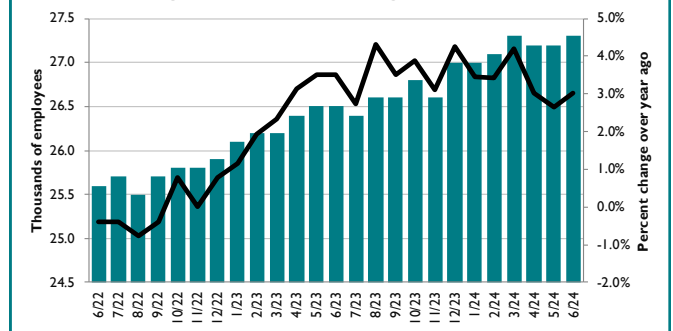


Figure 24o. State government

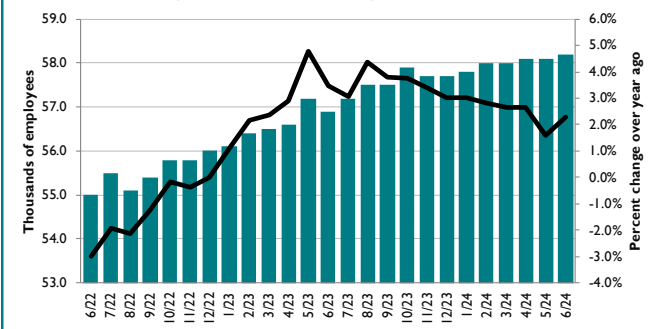
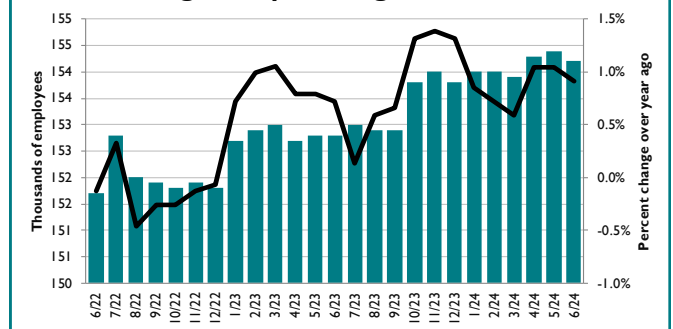


Figure 24p. Local government



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

CHANGE IN LABOR FORCE PARTICIPATION BY STATE IN 2023

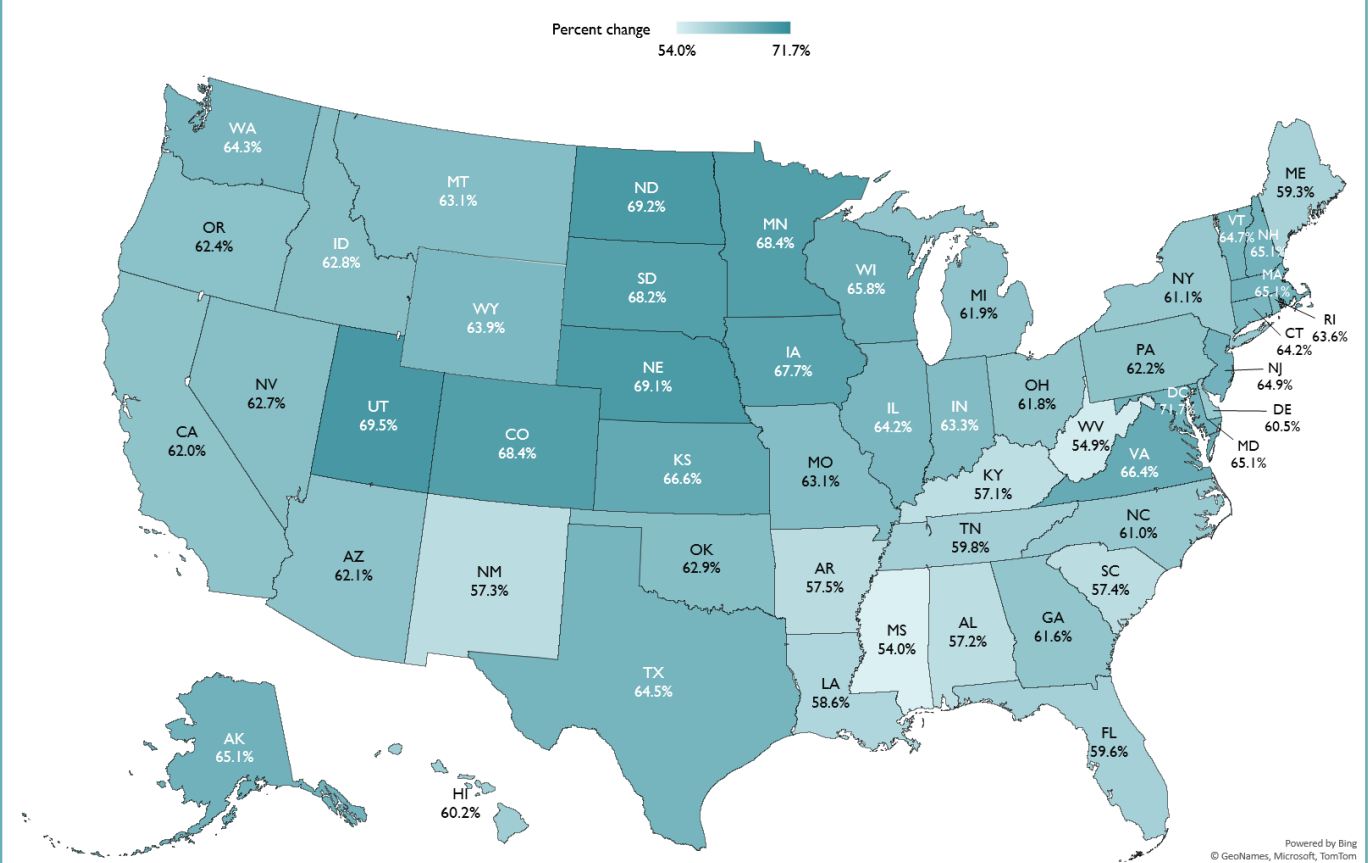
According to the U.S. Bureau of Labor Statistics (BLS), in 2023 labor force participation rates increased in thirty-six states and the District of Columbia, decreased in thirteen states, and did not change in two states. Only eleven states and the District of Columbia had higher labor force participation rates in 2023 than in 2019, while in Michigan the rate was unchanged. In 2023 the U.S. labor force participation rate was 62.6 percent, 0.4 percentage point higher than in 2022 but 0.5 percentage point less than the 2019 rate. Mississippi's labor force participation rate fell 0.9 per-

centage point in 2023 to 54.0 percent and remained 2.1 percentage points below the 2019 rate. Only Connecticut saw a larger decrease in the labor force participation rate in 2023 of 1.0 percentage point. The labor force participation rate of 54.0 percent for Mississippi in 2023 was the lowest annual rate for the state on record in BLS data back to 1976.

In 2023 the highest labor force participation rate among all states was the 69.5 percent rate in Utah as seen in Figure 25 below. This rate was up 0.7 percentage point from

2022 and was 1.0 percentage point above the state's 2019 rate. Fifteen states and the District of Columbia had labor force participation rates of 65.0 percent or more in 2023. Most of these states were located in the Midwest region. Virginia was the only Southeastern state with a rate above 65.0 percent. Mississippi's labor force participation rate of 54.0 percent was the lowest among all states in 2023, 0.9 percentage point below the next lowest rate of West Virginia. A total of eleven states had rates below 60.0 percent in 2023; most of these states were located in the Southeast. The only

Figure 25. Labor force participation rate by state, 2023



Source: U.S. Bureau of Labor Statistics.

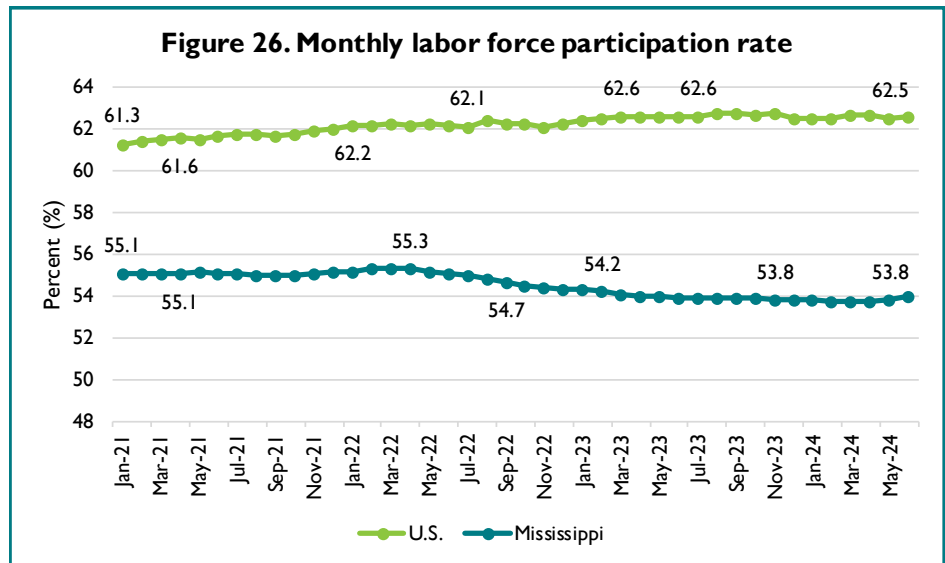
CHANGE IN LABOR FORCE PARTICIPATION BY STATE IN 2023 (CONTINUED)

states outside of the Southeast region with rates below 60.0 percent were Maine at 59.3 percent and New Mexico at 57.3 percent.

As in 2022, every state added jobs in 2023 but various changes to labor force participation rates occurred across states due to the continued uneven nature of the employment recovery across sectors.

The monthly labor force participation rates for the U.S. and Mississippi since January 2021 are depicted in Figure 26. The rate in Mississippi in January 2021 was 55.1 percent, which edged up to 53.3 percent in April 2022. As of June 2024, this rate represents the post-recession peak for labor force participation in Mississippi. Although the rate was unchanged in some months, it did not increase again until May of this year. The rate rose again in June to 54.0 percent, its highest level in thirteen months.

The U.S. labor force was larger than its February 2020 level by almost 3.6 million individuals in June 2024, an increase of 2.2 percent. The nation's labor force surpassed its February 2020 level in August 2022. In contrast, Mississippi was one of fifteen states as of June 2024 where the labor force was smaller than it was in February 2020. As of June the labor force in Mississippi was



Source: U.S. Bureau of Labor Statistics.

smaller than in February 2020 by about 37,000 individuals, a decrease of 2.9 percent. Maryland was the only other state as of June with a larger percentage decrease in its labor force over the same period of 4.5 percent.

Because of the aging demographics of the U.S.—specifically as more members of the Baby Boom generation enter retirement—the U.S. labor force participation rate is unlikely to surpass its pre-recession peak in the near future. However, what remains unclear is why the labor force participation rate in Mississippi continued to fall between May 2022 and May 2024 while the U.S. rate trended up. One possible explanation is prime working age individuals ages 25 to 54 moved out of the state while more individuals

of retirement age moved into the state. Census data through 2022 show this pattern; however, data for 2023 are not yet available. In any event, neighboring Louisiana experienced similar shifts in the make-up of its population but not the decline in its labor force participation rate. Thus, other factors affecting labor force participation may be at play. Hopefully the increases in the rate in May and June of this year will mark the beginning of an upward trend in labor force participation in Mississippi.