

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

As seen in Figure 1 below, the value of the Mississippi Leading Index (MLI) decreased 0.2 percent in August. The value of the MLI for the month was 0.8 percent higher compared to one year earlier. The value of the MLI for July was revised up to an increase of 0.4 percent.

The value of the Mississippi Coincident Index (MCI) was essentially unchanged in August as seen in Figure 2. Compared to one year ago the value for the month was 2.0 percent higher.

In its third estimate of the change in real U.S. gross domestic product (GDP) in the

second quarter of 2024, the U.S. Bureau of Economic Analysis (BEA) reported an increase of 3.0 percent at a seasonally-adjusted, annualized rate. This estimate is unchanged from the agency's second estimate. BEA reported private inventory investment and federal government spending were both revised up from the second estimate, but these upward revisions were offset by downward revisions to nonresidential fixed investment, net exports, consumer spending, and residential fixed investment.

Most components of the MLI decreased in August. The

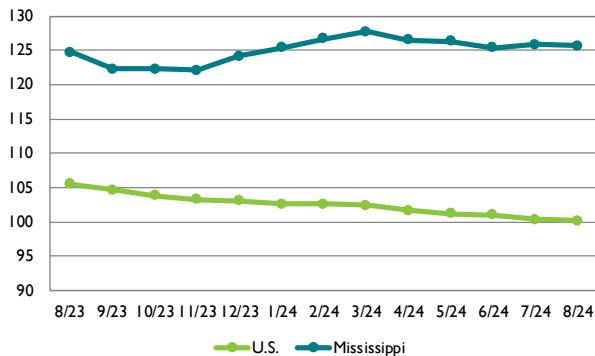
Manufacturing sector continued to exhibit weakness nationally and in Mississippi. The Mississippi Manufacturing Employment Intensity Index fell for the fourth time in the last five months and the value of the ISM Manufacturing Index was unchanged. On a positive note, retail sales rose in August and expectations increased. The state and national economies continued to display signs that they are slowing, but not entering a recession. The first decrease in interest rates in more than four years in September may provide momentum to some indicators such as building permits.

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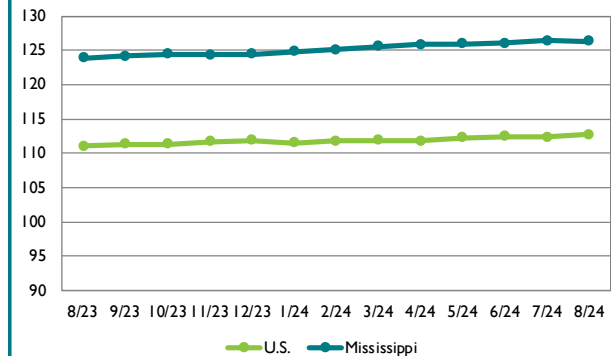
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Figure 1. Leading indices



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 2024

In August the value of the **Mississippi Leading Index of Economic Indicators (MLI)** edged down 0.2 percent as seen in Figure 3. Following data revisions the value of the MLI for July was revised up to an increase of 0.4 percent. The value for August was 0.8 percent higher compared to one year earlier. Over the last six months the value of the MLI decreased 0.8 percent.

Only two of the seven components of the MLI increased in value in August and one was unchanged. Consumer expectations made the largest positive contribution while the Mississippi Manufacturing Employment Intensity Index made the largest negative contribution. Each component is discussed below in order of smallest to largest contribution.

The value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.1 percent in August as seen in Figure 4, its fourth decrease in the last five months. Compared to one year earlier the value in August was 1.9 percent lower. While the average weekly hours of production employees in the state rose for the month, this gain was more than offset by the 1.5 percent decrease in Manufacturing employment in the state in August.

In August the value of **Mississippi income tax withholdings** (three-month moving average) decreased for the third consecutive month. As Figure 5 indicates, the value fell 0.6 percent in August. The value of withholdings for the month was 1.9 percent lower compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi increased 1.0 percent.

Mississippi residential building permits (three-month moving aver-

age) decreased in value by 0.9 percent in August as seen in Figure 6. The value for the month was 4.6 percent higher compared to one year earlier. The number of units in the state rose 1.6 percent in August. Compared to one year earlier the number of units in the state for the month was 4.7 percent higher. The number of privately-owned housing units authorized by building permits in the U.S. rose 4.9 percent in August from the revised July rate. Compared to one year earlier the number of units in the U.S. in August was 6.5 percent lower.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi edged up 0.4 percent in August as seen in Figure 7. Compared to one year earlier the value for the month was down 9.7 percent. In August the number of seasonally-adjusted continued unemployment claims in Mississippi fell 5.4 percent as seen in Figure 16 on page 6. The number of continued unemployment claims in the state in August was down 2.4 percent compared to one year earlier, the first year-over-year decrease since January 2023. The unemployment rate in Mississippi was 2.7 percent in August, unchanged from July. As seen in Figure 17 on page 6, the rate in August was down 0.5 percentage point compared to one year earlier.

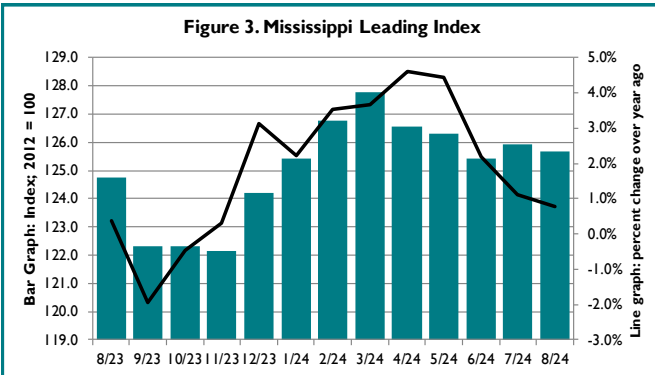
The September value of the **ISM Index of U.S. Manufacturing Activity** was unchanged as seen in Figure 8. Compared to one year earlier the September value was 2.9 percent lower. Only two components of the Index increased for the month: Production, which had the largest gain, and Supplier Deliveries. The largest decrease for the month occurred in the Inventories component. Supplier

Deliveries was the only component in expansion territory in September. The prices paid index fell to its lowest level since December. Commodities reported with higher prices in September included aluminum, corrugate, and electrical components, which were also reported in short supply. Commodities reported with lower prices in September included copper, crude oil, diesel fuel and steel.

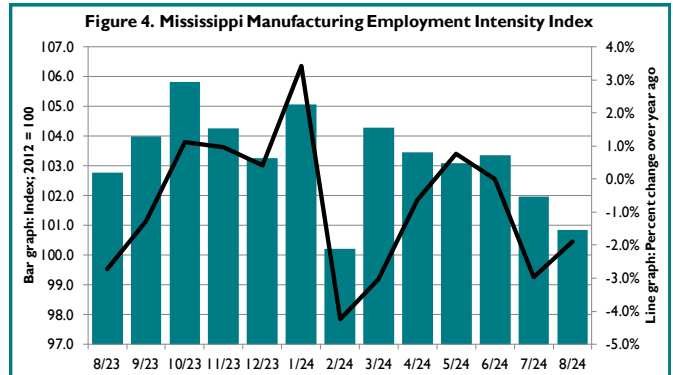
U.S. retail sales edged up in value by 0.1 percent in August as seen in Figure 9. The value of July sales was revised up to an increase of 1.1 percent. The value of retail sales in August was up 2.1 percent compared to one year earlier. Sales excluding automobiles and gasoline were up 0.2 percent for the month. Sales in most segments decreased in August. The largest increase among all segments occurred at Nonstore Retailers. Sales at Gasoline Stations had the largest decrease, closely followed by Electronics and Appliances.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) rose for the second consecutive month in August. The value increased 2.3 percent for the month as seen in Figure 10, the largest gain since February. Compared to one year earlier the value in August was up 7.9 percent. As in the previous month, a decrease in gasoline prices likely led to improved expectations. Recovery in the stock market in the days prior to the most recent survey may have lifted expectations as well. Inflation expectations were little changed in the most recent survey. Short-term (one-year) inflation expectations edged down while long-term (five-year) expectations rose slightly, the first change since March.

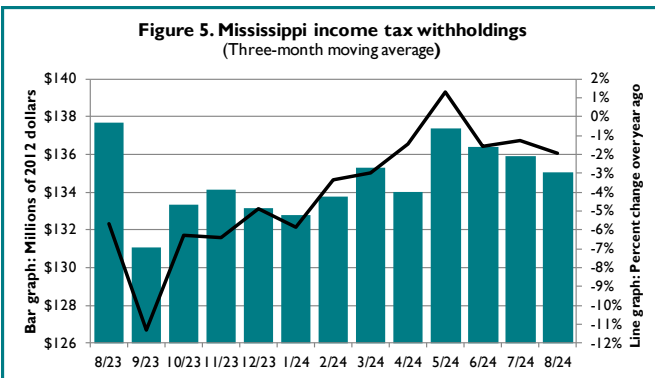
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



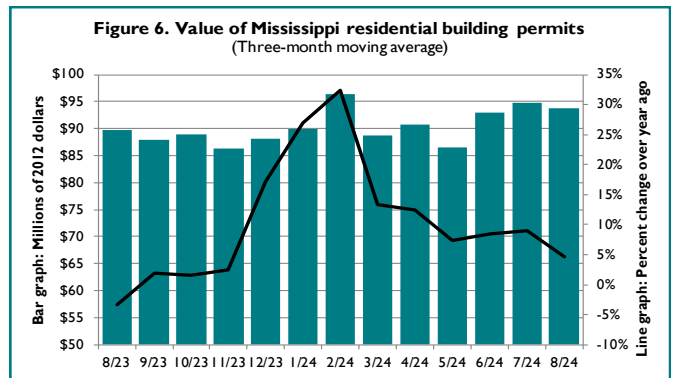
Source: University Research Center



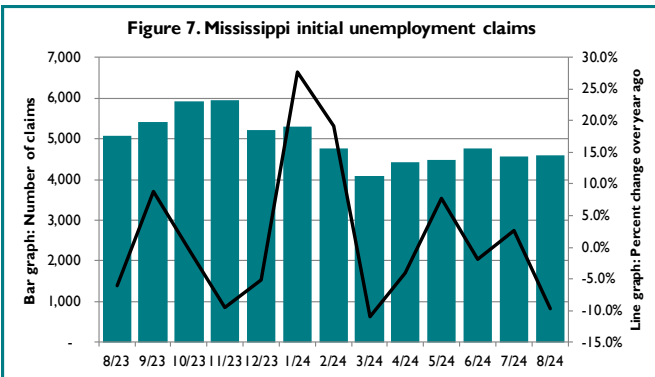
Source: URC using data from U.S. Bureau of Labor Statistics



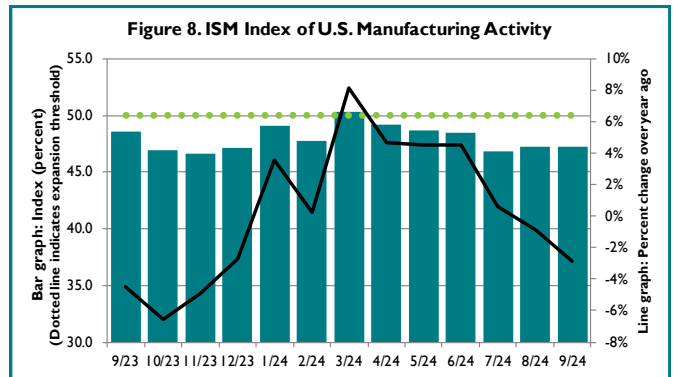
Source: Mississippi Department of Revenue; seasonally adjusted



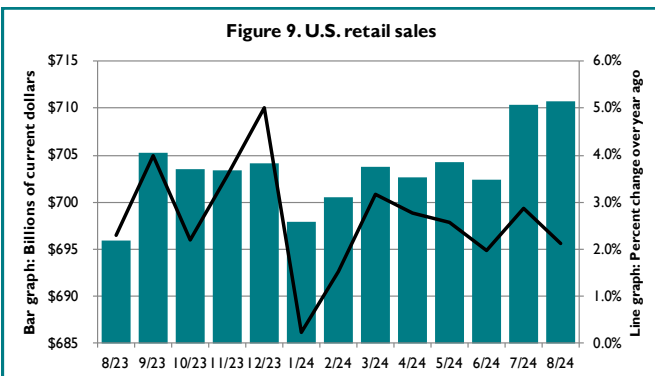
Source: URC using data from U.S. Bureau of Labor Statistics



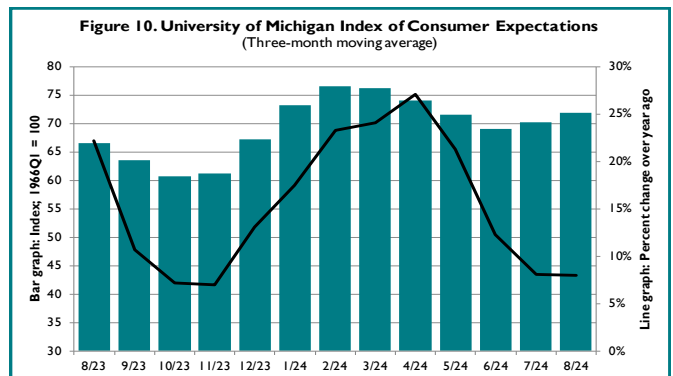
Source: U.S. Department of Labor; seasonally adjusted



Source: Institute for Supply Management



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



Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI COINCIDENT INDEX, AUGUST 2024

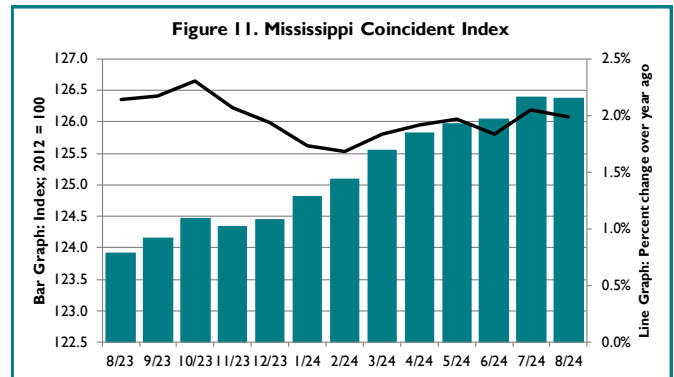
In August, the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** was essentially unchanged according to The Federal Reserve Bank of Philadelphia. As seen in Figure 11, the value of the MCI in August was 2.0 percent higher compared to one year earlier.

The Federal Reserve Bank of Philadelphia reported the values of the coincident indices increased in thirty-six states in August compared to May as Figure 12 indicates. The value of the coincident index in Connecticut rose more than 2.4 percent over the last three months, the largest increase among all states. The values of coincident indices

rose more than 1.0 percent over the last three months in three states: Alabama, Connecticut, and Oregon. In eighteen states, the values of coincident indices increased from 0.5 percent to less than 1.0 percent in

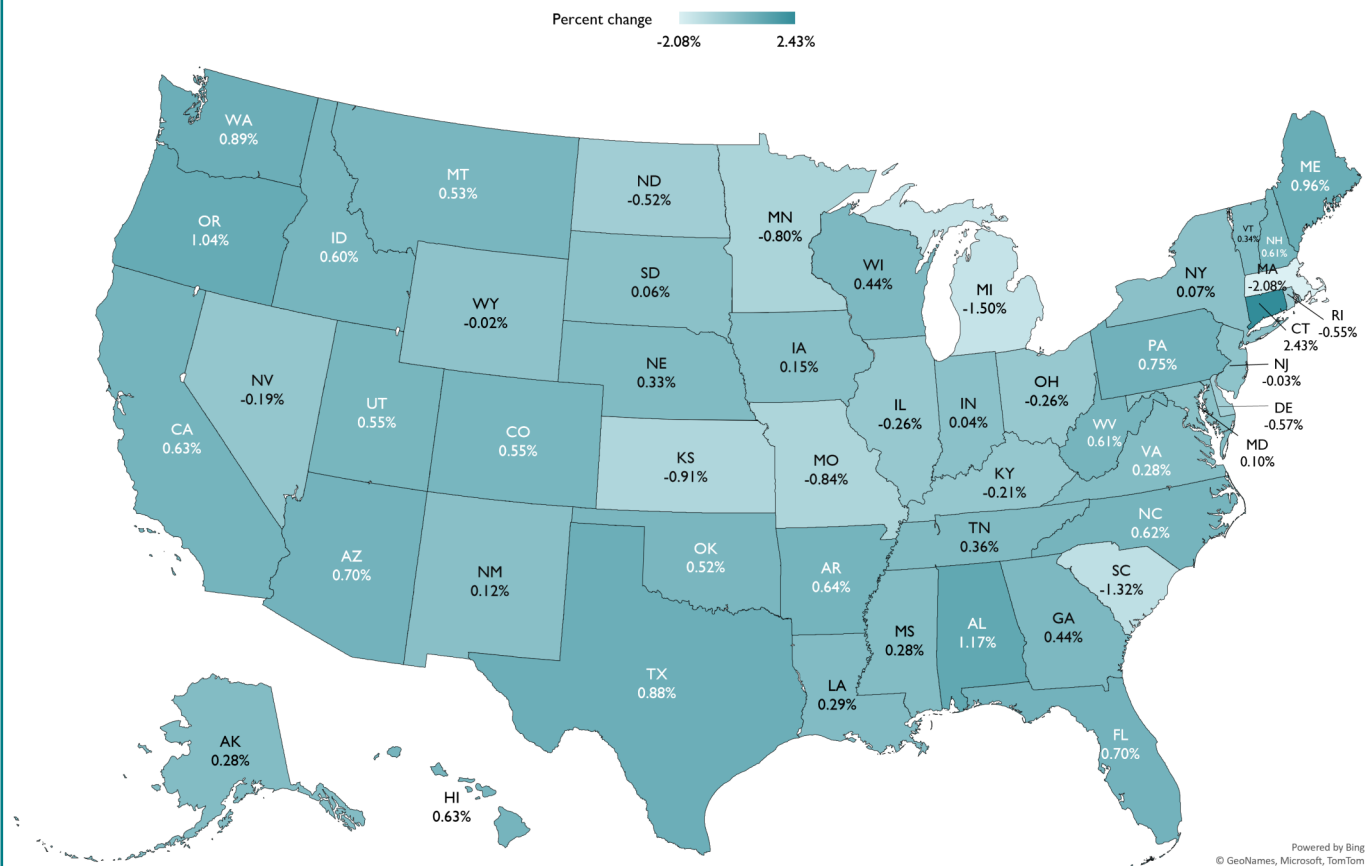
August compared to May. Mississippi was one of fifteen states where the values of the coincident indices increased less than 0.5 percent over the last three months. The values of coincident indices decreased in Au-

gust compared to May in fifteen states. The value of the coincident index in Massachusetts fell almost 2.1 percent over the last three months, the largest decrease among all states.



Source: Federal Reserve Bank of Philadelphia

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



Source: Federal Reserve Bank of Philadelphia

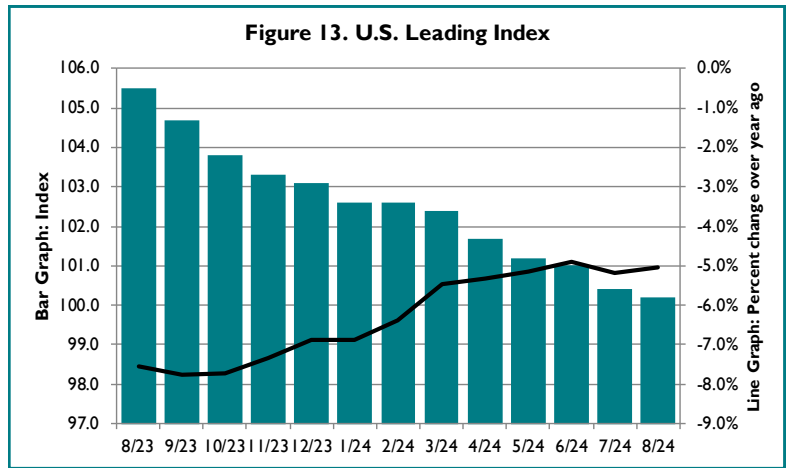
NATIONAL TRENDS

As seen in Figure 13, the value of the U.S. Leading Economic Index (LEI) fell 0.2 percent in August according to The Conference Board. Compared to one year ago the value for the month was 5.0 percent lower. As in July, only four of the ten components of the LEI made positive contributions in August. The largest positive contribution came from the Leading Credit Index™, while the ISM New Orders Index made the largest negative contribution. The value of the LEI decreased 2.3 percent over the last six months.

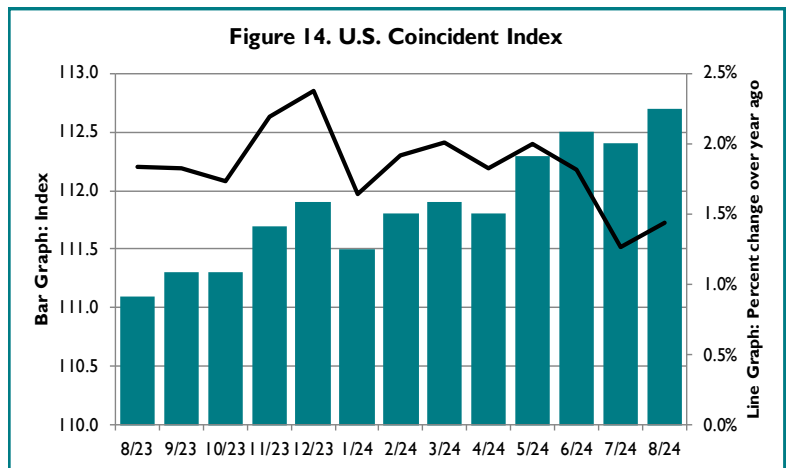
The value of the U.S. Coincident Economic Index (CEI) rose 0.3 percent in August according to The Conference Board. As Figure 14 indicates, compared to one year earlier the value of the CEI was 1.4 percent higher. All four components of the CEI made positive contributions in August. Industrial production made the largest contribution among the components. Over the last six months the value of the CEI increased 0.8 percent.

After four consecutive months of increases, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell in August. The value declined 2.7 percent for the month as seen in Figure 15, the largest monthly decrease since June 2022. Compared to one year earlier the value of the Index in August was 0.1 percent lower. Eight of the ten components of the Index decreased for the month and the “expect economy to improve” component had the largest decrease among all components.

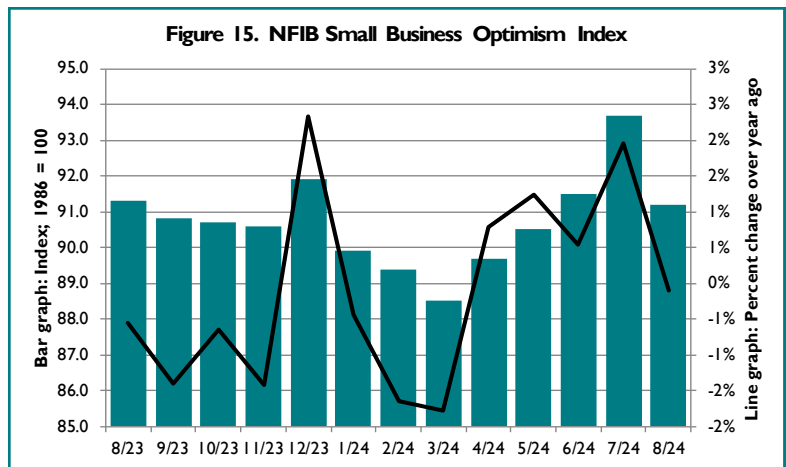
The Federal Reserve made its first cut to interest rates in over four years at its meeting last month. The Federal Open Market Committee (FOMC) reduced the benchmark federal funds rate target by 50 basis points. Until a few days before the meeting, most analysts had expected a reduction of 25 basis points. The 50 basis point reduction was therefore seen as a more aggressive move by the FOMC and a sign that the Federal Reserve has become concerned about the softening of the labor market. Most analysts expect the FOMC will reduce the federal funds rate target one more time in 2024, but the size of that reduction is uncertain after September’s 50 basis point cut.



Source: The Conference Board

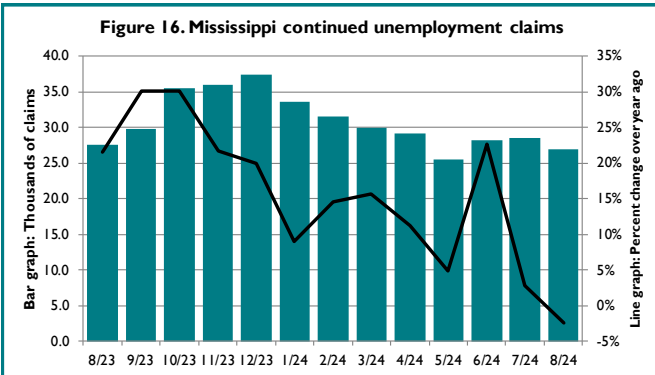


Source: The Conference Board

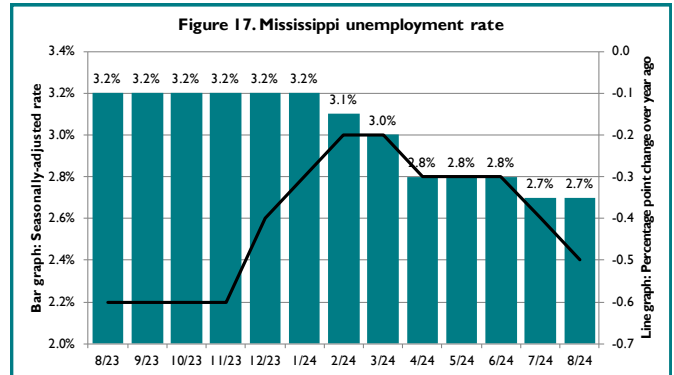


Source: National Federation of Independent Businesses

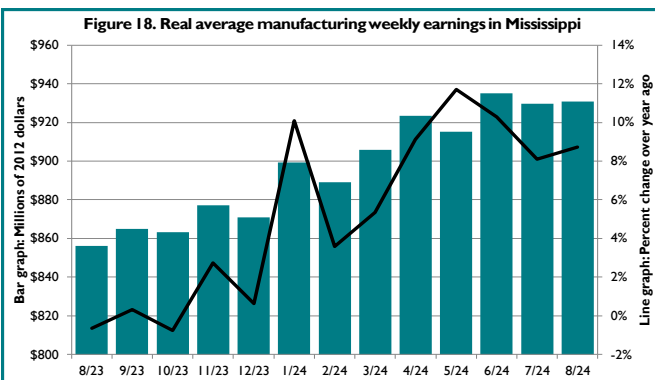
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



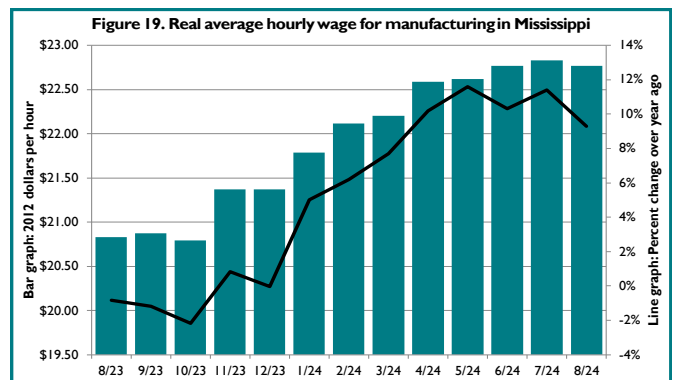
Sources: U.S. Department of Labor, URC (seasonal adjustment)



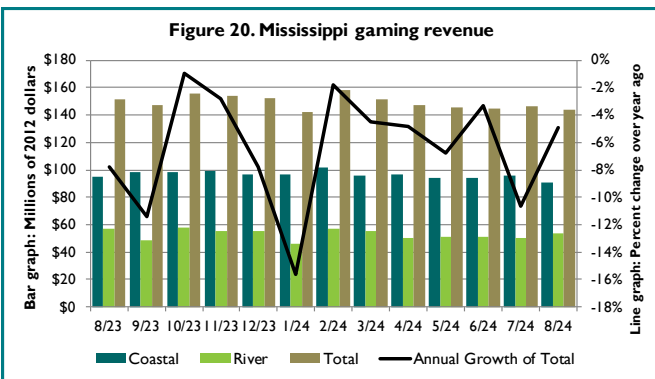
Source: U.S. Bureau of Labor Statistics



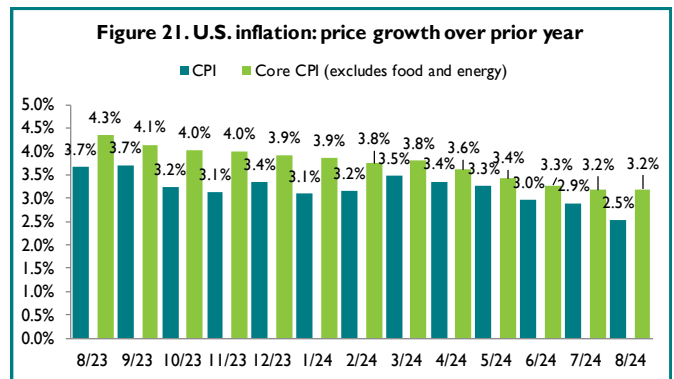
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



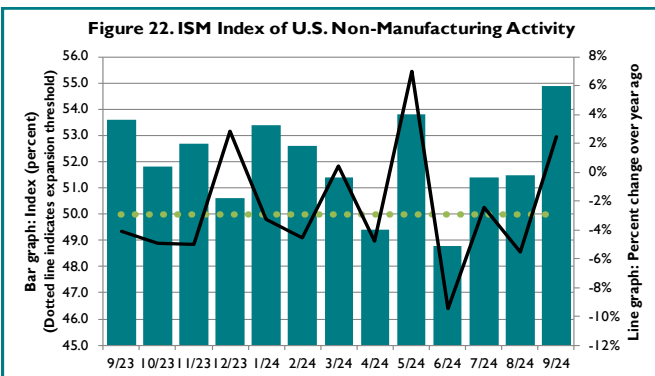
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



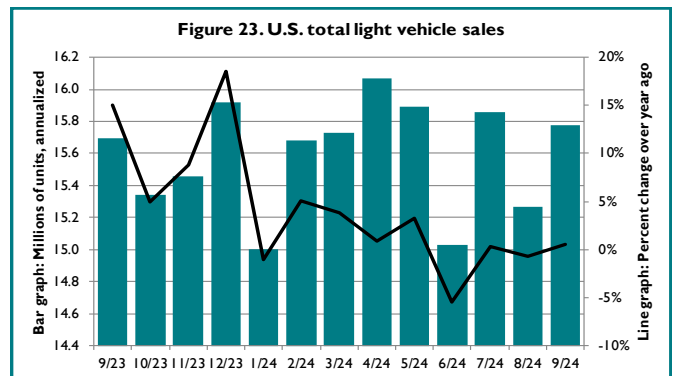
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



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	
	2024	2024	2023	July 2024	August 2023
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	100.2	100.4	105.5	▼0.2%	▼5.0%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	112.7	112.4	111.1	▲0.3%	▲1.4%
Mississippi Leading Index 2012 = 100. Source: University Research Center	125.7	125.9	124.7	▼0.2%	▲0.8%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	126.4	126.4	123.9	◀▶0.0%	▲2.0%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,583	4,564	5,077	▲0.4%	▼9.7%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	93.8	94.7	89.7	▼0.9%	▲4.6%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	135.0	135.9	137.7	▼0.6%	▼1.9%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	100.8	102.0	102.8	▼1.1%	▼1.9%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	71.8	70.2	66.5	▲2.3%	▲7.9%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	47.2	47.2	48.6	◀▶0.0%	▼2.9%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	710.8	710.4	695.9	▲0.1%	▲2.1%
U.S. Consumer Price Index (CPI)	314.8	314.5	307.0	▲0.1%	▲2.5%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	320.0	319.2	310.1	▲0.3%	▲3.2%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	2.7%	2.7%	3.2%	◀▶0.0	▼0.5
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	26,965	28,512	27,620	▼5.4%	▼2.4%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	54.9	51.5	53.6	▲6.6%	▲2.4%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.59%	6.88%	7.17%	▼0.29	▼0.58
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	22.77	22.83	20.83	▼0.3%	▲9.3%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	930.72	929.58	856.00	▲0.1%	▲8.7%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	91.2	93.7	91.3	▼2.7%	▼0.1%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.77	15.26	15.69	▲3.3%	▲0.5%
Gaming revenue	144.28	146.08	151.8	▼1.2%	▼5.0%
Coastal counties	90.98	95.87	95.0	▼5.1%	▼4.2%
River counties	53.30	50.20	56.8	▲6.2%	▼6.1%
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 2,700 jobs in August according to the U.S. Bureau of Labor Statistics (BLS), a decrease of 0.2 percent. Compared to one year ago total employment in the state was higher by 9,700 jobs, an increase of 0.8 percent as seen in Table 2.

BLS reported nonfarm employment increased in four states, decreased in one state, and was essentially unchanged in forty-five states and the District of Columbia in August. Texas added 78,000 jobs, the most among all states, followed by Indiana, which added 19,800 jobs, Minnesota, which added 14,400 jobs, and Wisconsin, which added 11,600 jobs. The largest percentage increases in employment occurred in Texas and Indiana, where employment rose 0.6 percent. South Dakota lost 3,100 jobs in August, a decrease of 0.7 percent.

Over the last twelve months as of August thirty states added jobs and employment was essentially unchanged in twenty states and the District of Columbia according to BLS. Texas added 302,400 jobs, the most among all states, followed by California, which added 287,100 jobs, and Florida, which added 207,400 jobs. Employment rose 3.3 percent over the last twelve months as of August in Missouri and South Carolina, the largest percentage increases among all states.

Only two sectors in Mississippi added jobs in August. The Professional and Business Services sector added 1,200 jobs for the month, a 1.2 percent increase, followed by Educational Services, which added 300 jobs, a 2.4 percent increase. The Manufacturing sector lost 2,100 jobs for the month, the largest decrease in employment among all sectors in Mississippi. Employment

in the Arts and Entertainment sector fell 1.8 percent in August, the largest percentage decrease among all sectors and a loss of 400 jobs. Employment was unchanged in five sectors in the state in August.

The state's Health Care and Social Assistance sector added 7,600 jobs over the past twelve months as of August, the most among all sectors. Over the last twelve months employment in the Arts and Entertainment sector rose 13.8 percent, the largest percentage increase in employment among all sectors and a gain of 1,300 jobs. The largest decrease in employment among all sectors in the state over the past twelve months as of August occurred in Manufacturing, which lost 2,000 jobs. The largest percentage decrease in employment among all sectors in the state over the past year occurred in the Information sector, a decline of 8.1 percent and a loss of 800 jobs.

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

	Relative share of total ^a	August 2024	July 2024	August 2023	Change from July 2024		Change from August 2023	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,189,300	1,192,000	1,179,600	▼2,700	▼0.2%	▲9,700	▲0.8%
Mining and Logging	0.5%	6,400	6,400	6,100	◀▶0	◀▶0.0%	▲300	▲4.9%
Construction	4.1%	49,500	49,700	48,800	▼200	▼0.4%	▲700	▲1.4%
Manufacturing	12.2%	141,200	143,300	143,200	▼2,100	▼1.5%	▼2,000	▼1.4%
Trade, Transportation & Utilities	20.8%	248,100	249,300	248,100	▼1,200	▼0.5%	◀▶0	◀▶0.0%
Retail Trade	11.8%	141,200	142,400	139,500	▼1,200	▼0.8%	▲1,700	▲1.2%
Information	0.8%	9,100	9,100	9,900	◀▶0	◀▶0.0%	▼800	▼8.1%
Financial Activities	3.8%	45,500	45,500	45,200	◀▶0	◀▶0.0%	▲300	▲0.7%
Services	37.6%	449,400	448,600	441,300	▲800	▲0.2%	▲8,100	▲1.8%
Professional & Business Services	9.8%	117,800	116,600	116,900	▲1,200	▲1.0%	▲900	▲0.8%
Educational Services	1.1%	12,700	12,400	13,300	▲300	▲2.4%	▼600	▼4.5%
Health Care and Social Assistance	12.0%	145,100	145,100	137,500	◀▶0	◀▶0.0%	▲7,600	▲5.5%
Arts and Entertainment	0.9%	10,700	10,900	9,400	▼200	▼1.8%	▲1,300	▲13.8%
Accommodation and Food Services	10.5%	123,600	123,900	124,400	▼300	▼0.2%	▼800	▼0.6%
Other Services	3.3%	39,500	39,700	39,800	▼200	▼0.5%	▼300	▼0.8%
Government	20.1%	240,100	240,100	237,000	◀▶0	◀▶0.0%	▲3,100	▲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 24a. Nonfarm employment

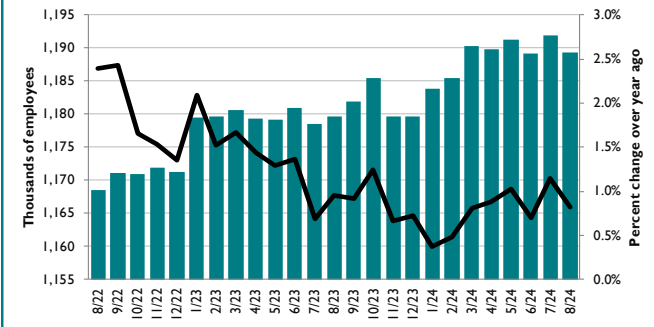


Figure 24b. Mining and Logging

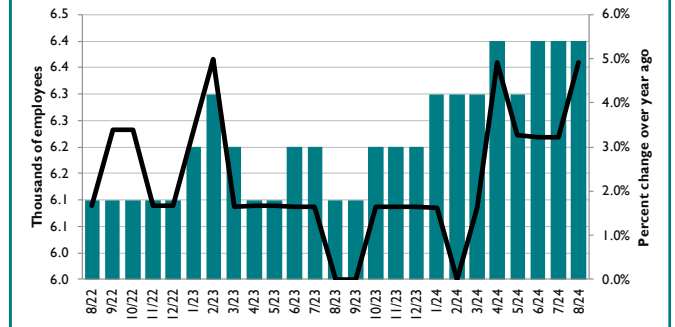


Figure 24c. Construction

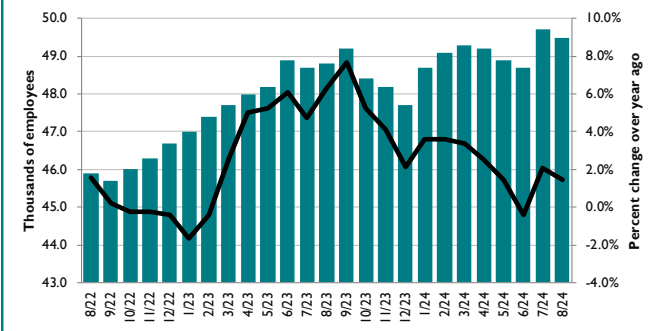


Figure 24d. Manufacturing

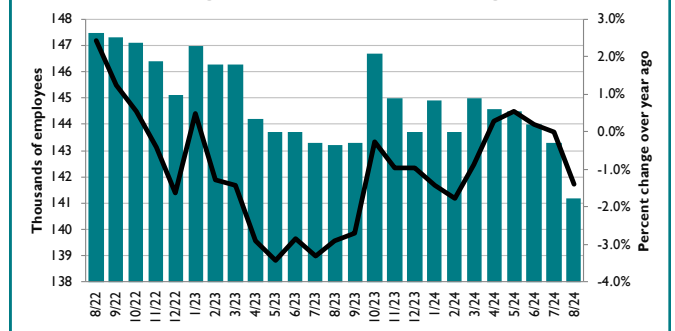


Figure 24e. Trade, transportation, and utilities

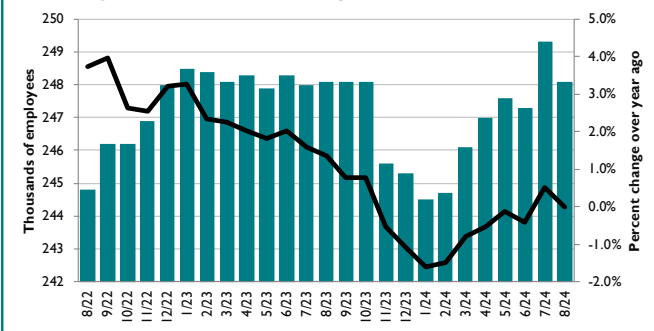


Figure 24f. Information

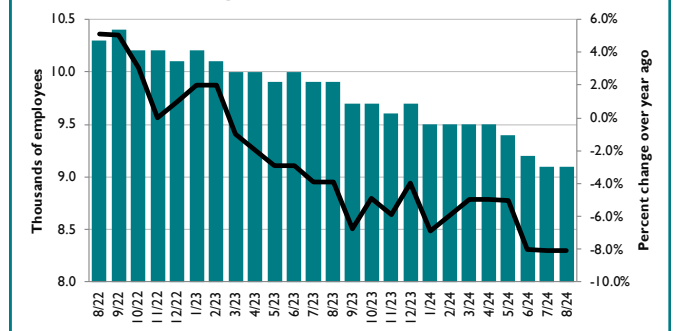


Figure 24g. Financial activities

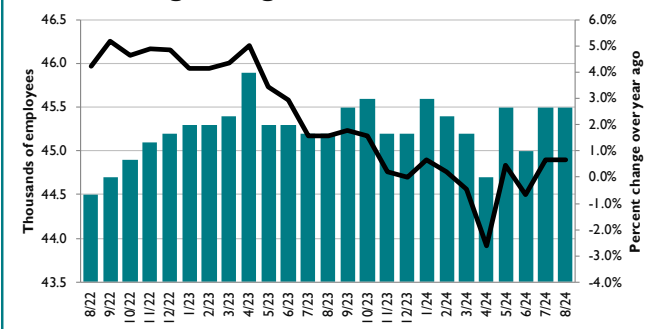
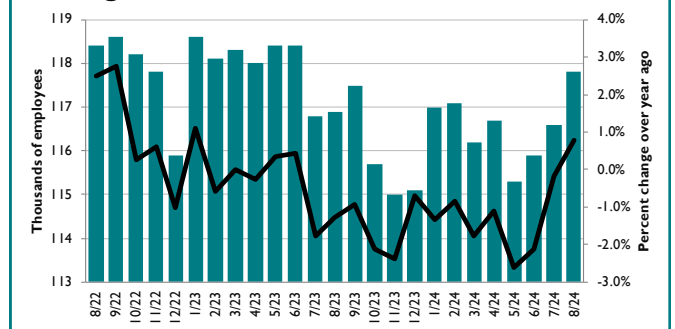


Figure 24h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

Figure 24i. Educational services

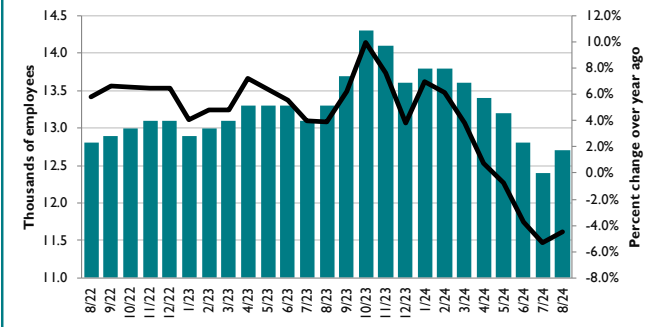


Figure 24j. Health care and social assistance

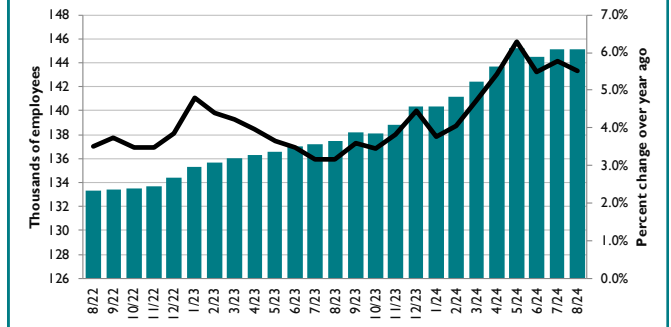


Figure 24k. Arts and entertainment

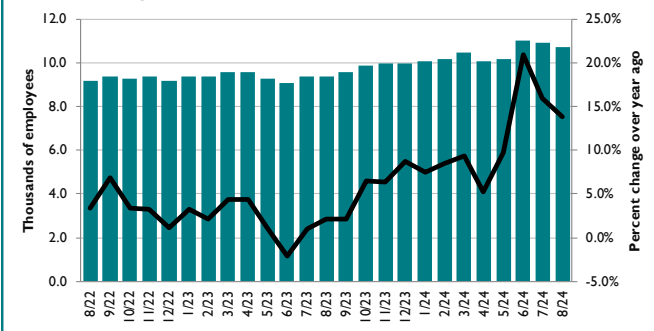


Figure 24l. Accommodation and food services

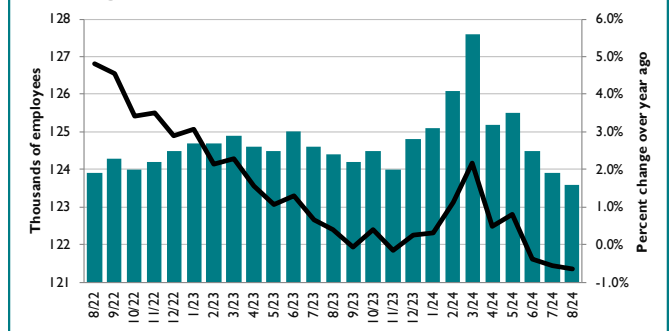


Figure 24m. Other services

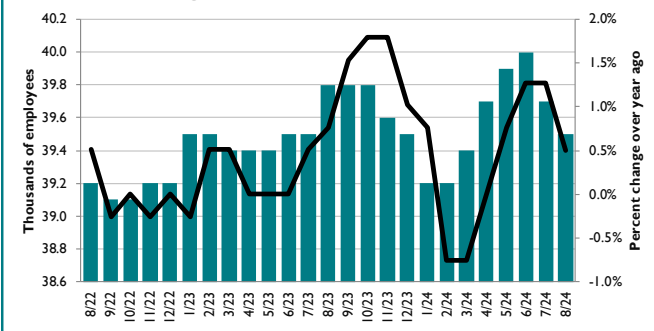


Figure 24n. Federal government

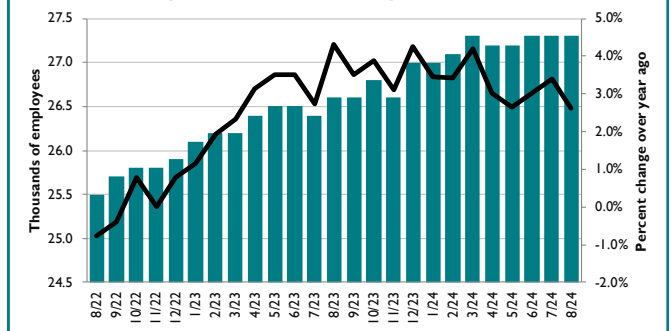


Figure 24o. State government

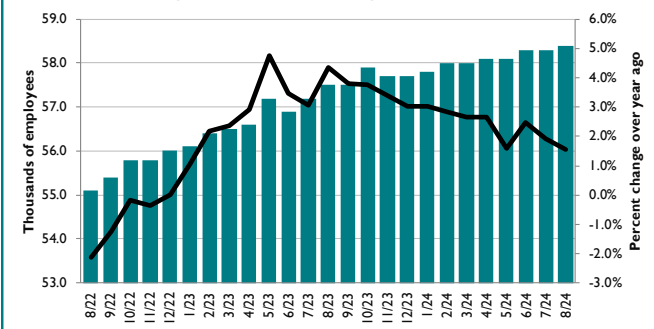
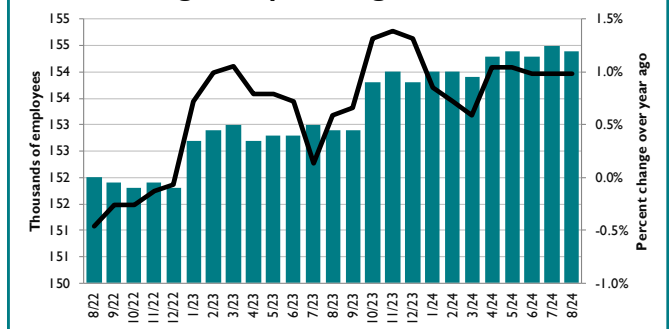


Figure 24p. Local government



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

CHANGE IN REAL GDP BY STATE IN THE SECOND QUARTER OF 2024

In September, the U.S. Bureau of Economic Analysis (BEA) released annualized estimates of the change in real gross domestic product (GDP) by state for the second quarter of 2024. (An annualized estimate is the actual change multiplied by four.) BEA reported real GDP expanded in forty-nine states and the District of Columbia in the second quarter, decreasing only in Alaska. In Mississippi, BEA reported real GDP expanded at an annualized rate of 2.5 percent in the second quarter, which ranked thirty-second among all states. In addition, BEA revised the change in Mississippi real GDP for the first quarter of 2024 to 0.0 percent, which ranked twenty-eighth among all states.

The contributions by sector to the 2.5 percent increase in Mississippi's real GDP in the second quarter of 2024 are listed in Table 3 from largest to smallest. (BEA only includes the changes in major industries in its preliminary estimates.)

The Manufacturing sector—the second-largest sector in the state in 2023 in terms of real GDP—made the largest contribution to real GDP growth in Mississippi in the second quarter by adding 1.39 percentage points. The next largest contribution to real GDP growth in the second quarter was made by the Finance, Insurance, Real Estate, and Rental and Leasing sector,

which added 0.52 percentage point. This increase was closely followed by the 0.47 percentage point added to real GDP growth by the Health Care and Social Assistance sector. The Administrative and Support and Waste Management sector increased real GDP by 0.25 percentage point in the second quarter, while the Wholesale Trade sector added 0.21 percentage point to growth. The Government sector closely followed with a contribution of 0.20 percentage point. Six other

sectors made positive contributions of less than 0.20 percentage point.

The Agriculture, Forestry, Fishing, and Hunting sector made the largest negative contribution among all sectors in the second quarter of -0.78 percentage point. The Accommodation and Food Services sector made the next largest negative contribution of -0.14 percentage point. The next largest negative contribution of -0.11 percentage point was made by the Educational Services sector. The Other Services sector

Table 3. Contributions to percent change in Mississippi real GDP by sector, second quarter 2024

Sector	Percentage points
Manufacturing	1.39
Finance, insurance, real estate, and rental and leasing	0.52
Health care and social assistance	0.47
Administrative and support and waste management	0.25
Wholesale trade	0.21
Government and government enterprises	0.20
Arts, entertainment, and recreation	0.16
Professional, scientific, and technical services	0.14
Transportation and warehousing	0.14
Construction	0.10
Utilities	0.08
Retail trade	0.06
Mining, quarrying, and oil and gas extraction	-0.01
Information	-0.01
Management of companies and enterprises	-0.04
Other services	-0.07
Educational services	-0.11
Accommodation and food services	-0.14
Agriculture, forestry, fishing, and hunting	-0.78
Total	2.5%

Source: U.S. Bureau of Economic Analysis. Total may not add due to rounding.

CHANGE IN REAL GDP BY STATE IN THE SECOND QUARTER OF 2024, (CONTINUED)

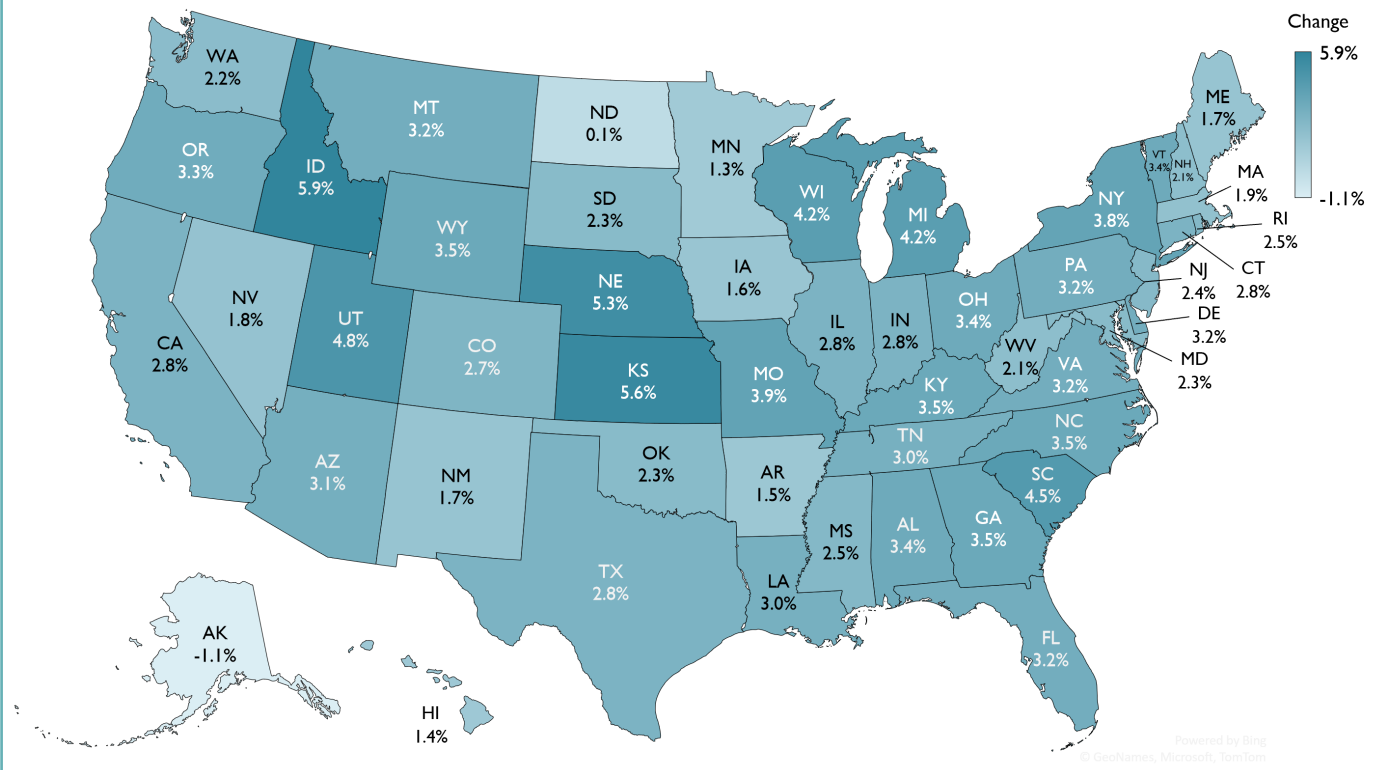
reduced output in the second quarter by 0.07 percentage point. Three other sectors made negative contributions to growth of less than -0.05 percentage point.

The annualized change in real GDP by state in the second quarter of 2024 as reported by BEA is depicted in Figure 25 below. Idaho had the largest increase in real GDP in the second quarter among all states, as the state's real GDP expanded at an annualized rate of 5.9 percent. The Agriculture, Forestry, Fishing, and Hunting sector was the largest contributor to growth in Idaho; the sector was the leading contributor

to growth in twenty-nine states. The second-largest expansion in real GDP among all states in the second quarter was the 5.6 percent increase in Kansas. Agriculture, Forestry, Fishing, and Hunting was also the largest contributor to growth in Kansas. Nationally, Nondurable-goods Manufacturing, Finance and Insurance, and Health Care and Social Assistance were the leading contributors to growth in the second quarter. Nondurable-goods Manufacturing made a positive contribution in all fifty states and the District of Columbia and was the leading contributor in twelve states.

As mentioned, the only state where real GDP contracted in the second quarter was Alaska. The state's real GDP contracted at an annualized rate of 1.1 percent. The Mining sector was the leading contributor to the decrease in Alaska and the sector made the largest negative contribution to growth in thirty-two other states.

Figure 25. Annualized percent change in real GDP by state, 2024Q2



Source: U.S. Bureau of Economic Analysis.