



IMPACT 2014

Mississippi Economic Outlook

January 23, 2014

Mississippi University Research Center

Mississippi Institutions of Higher Learning

Darrin Webb, State Economist

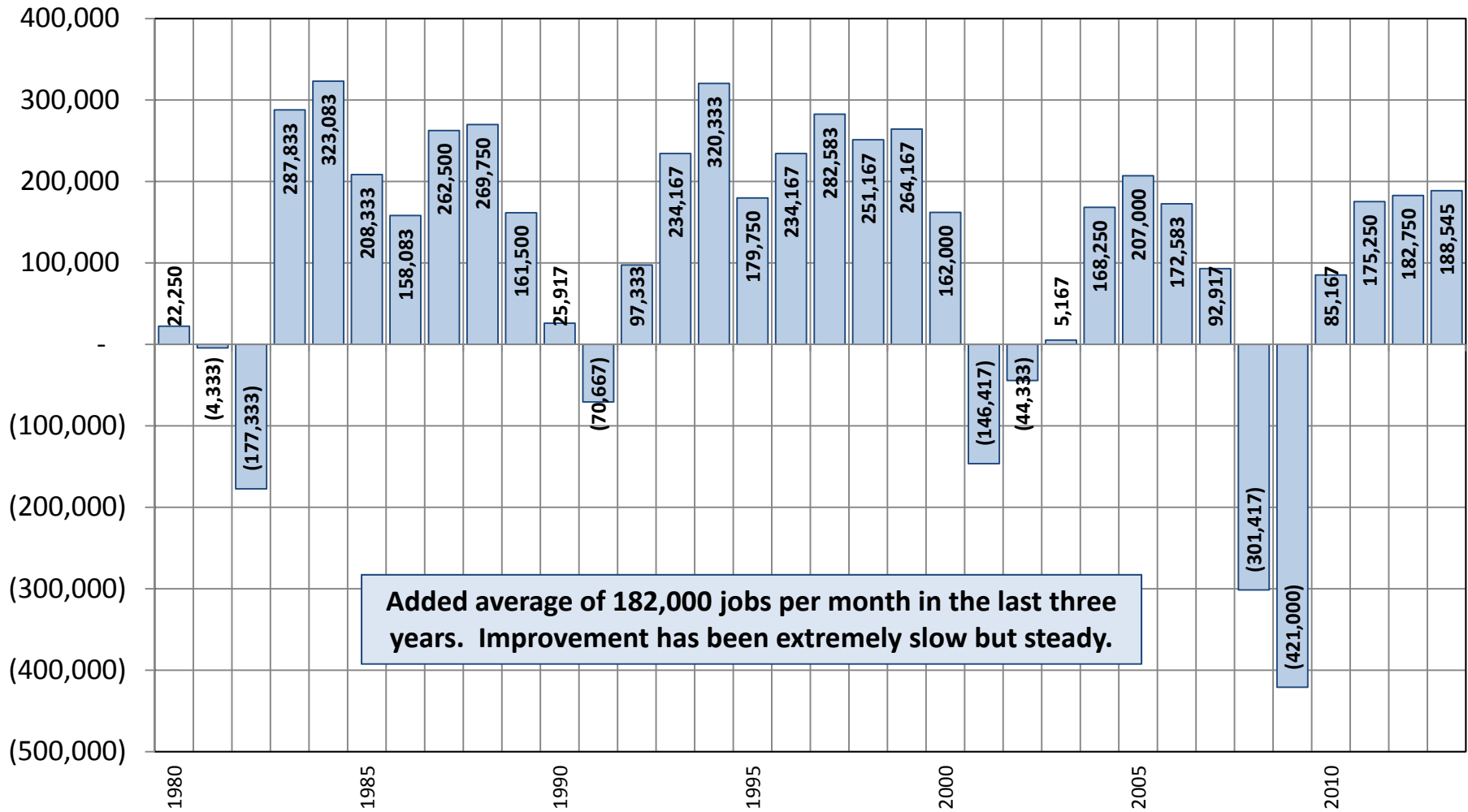
dwebb@mississippi.edu

(601)432-6556

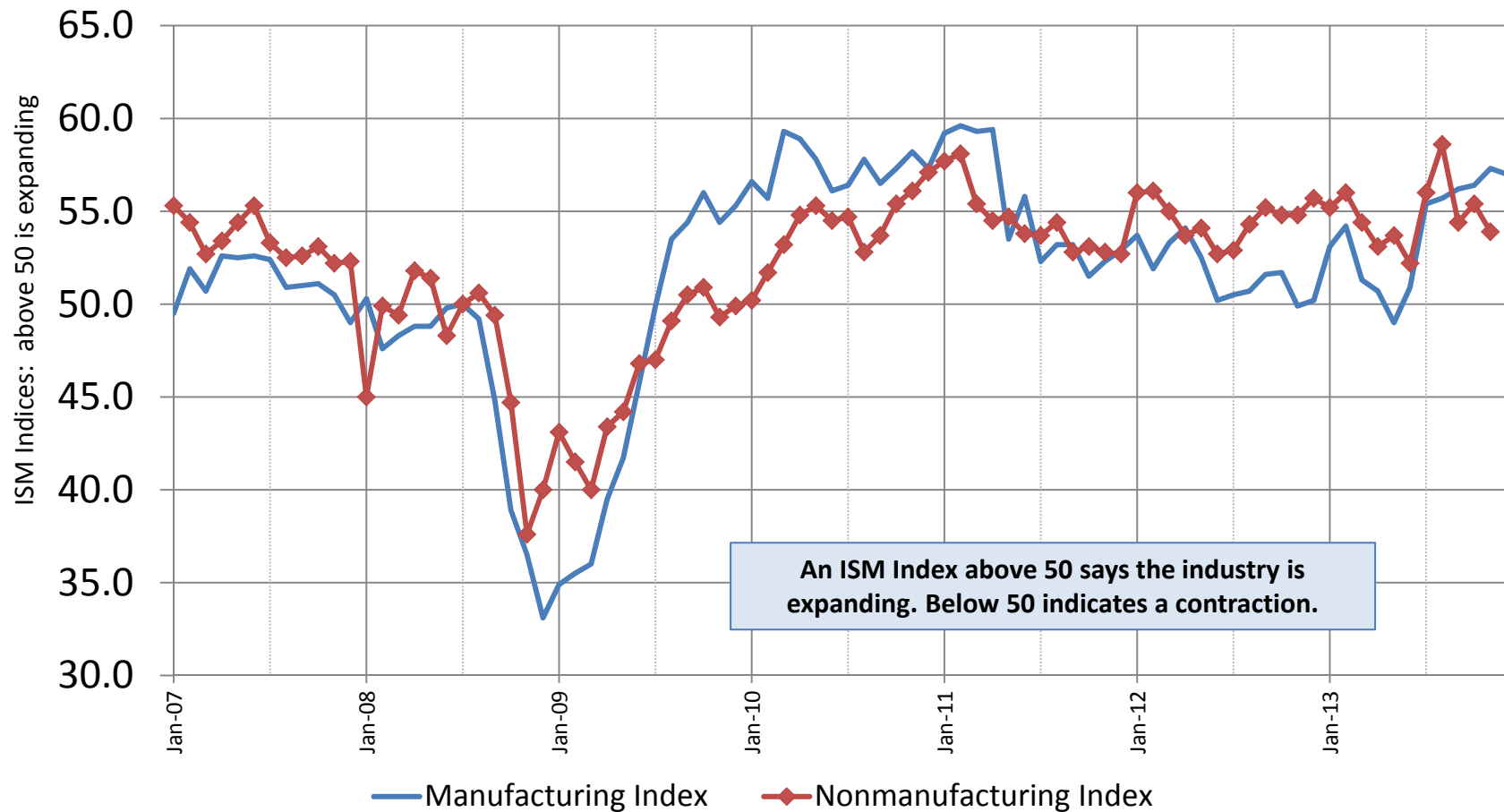
Quick Take on The National Economy

- US economy continues to expand and is improving
 - Strong growth in the third quarter
 - Headwinds have slowly dissipated and fundamentals of economy appear sound going into 2014
 - Growth slowed in the 4th, but should improve through 2014
- Gradual improvement in 2015 & 2016
- Relatively low risk of recession

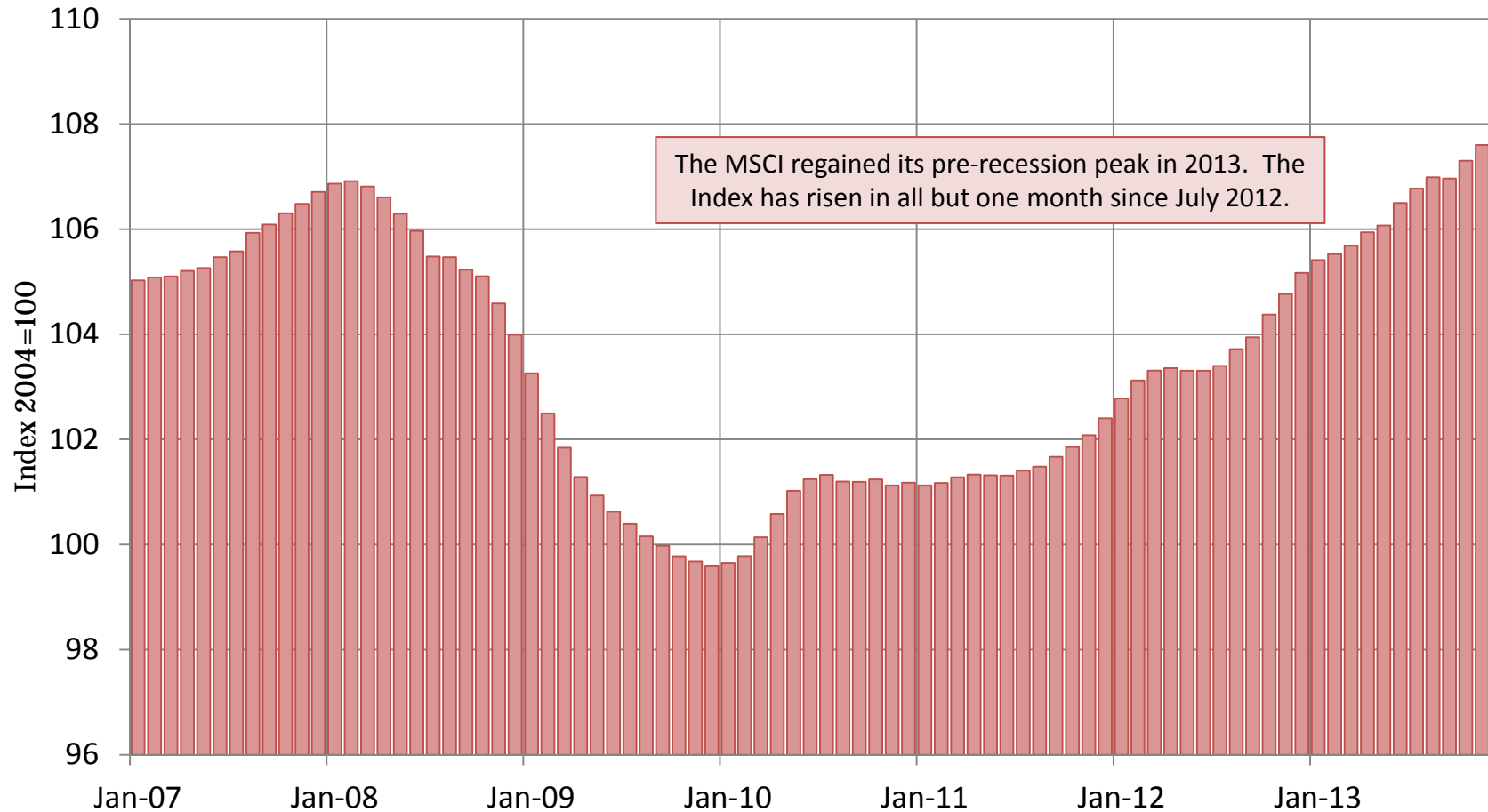
Average US Jobs Added By Month By Year



Institute For Supply Management Indices



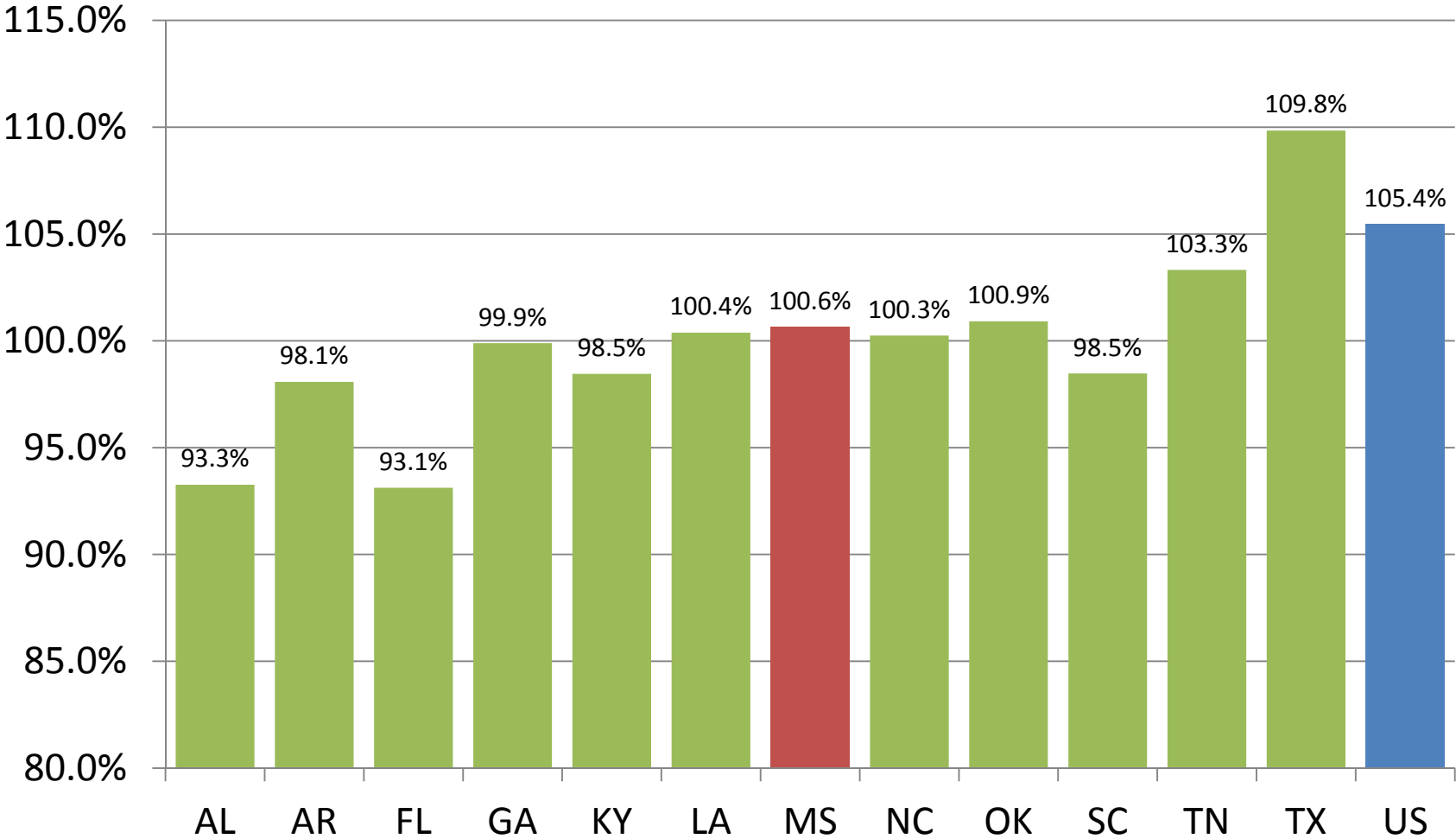
MS Index of Coincident Indicators



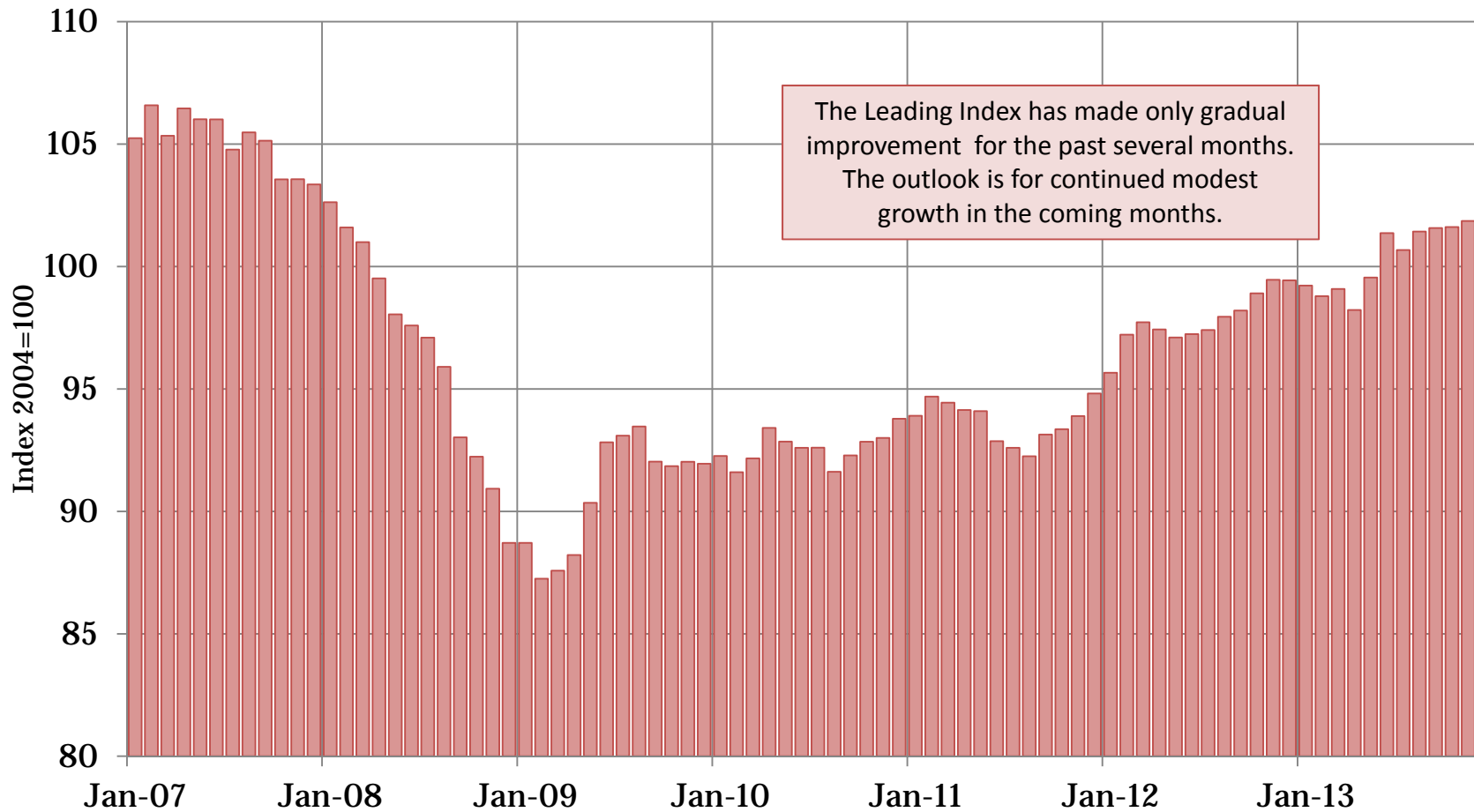
The Mississippi Index of Coincident Indicators reflects economic conditions existing in a given month. The index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek length and wage and salary disbursements.

Regional Comparison

November Coincident Index as Percentage of Pre-recession Peak



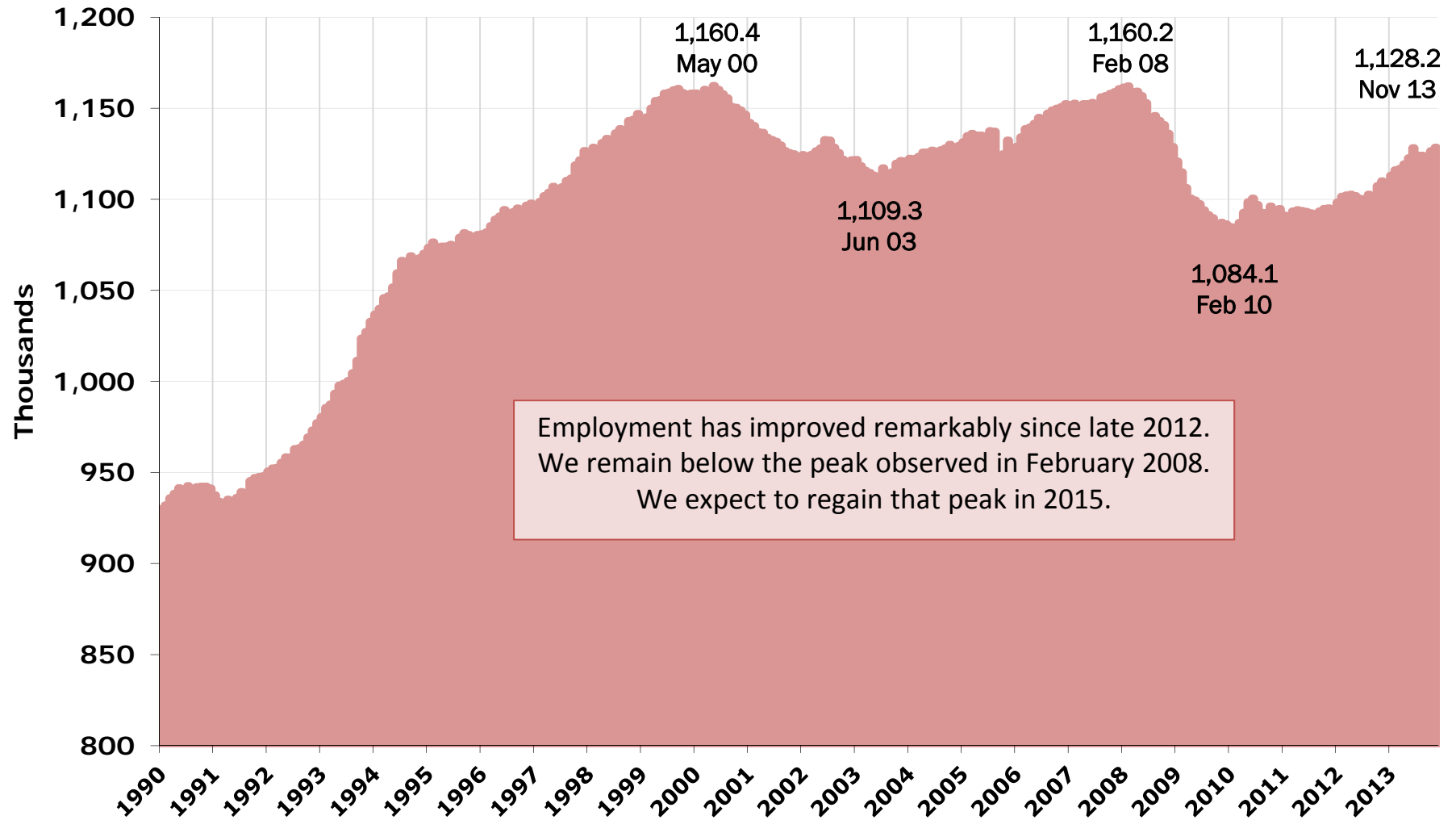
MS Index of Leading Indicators



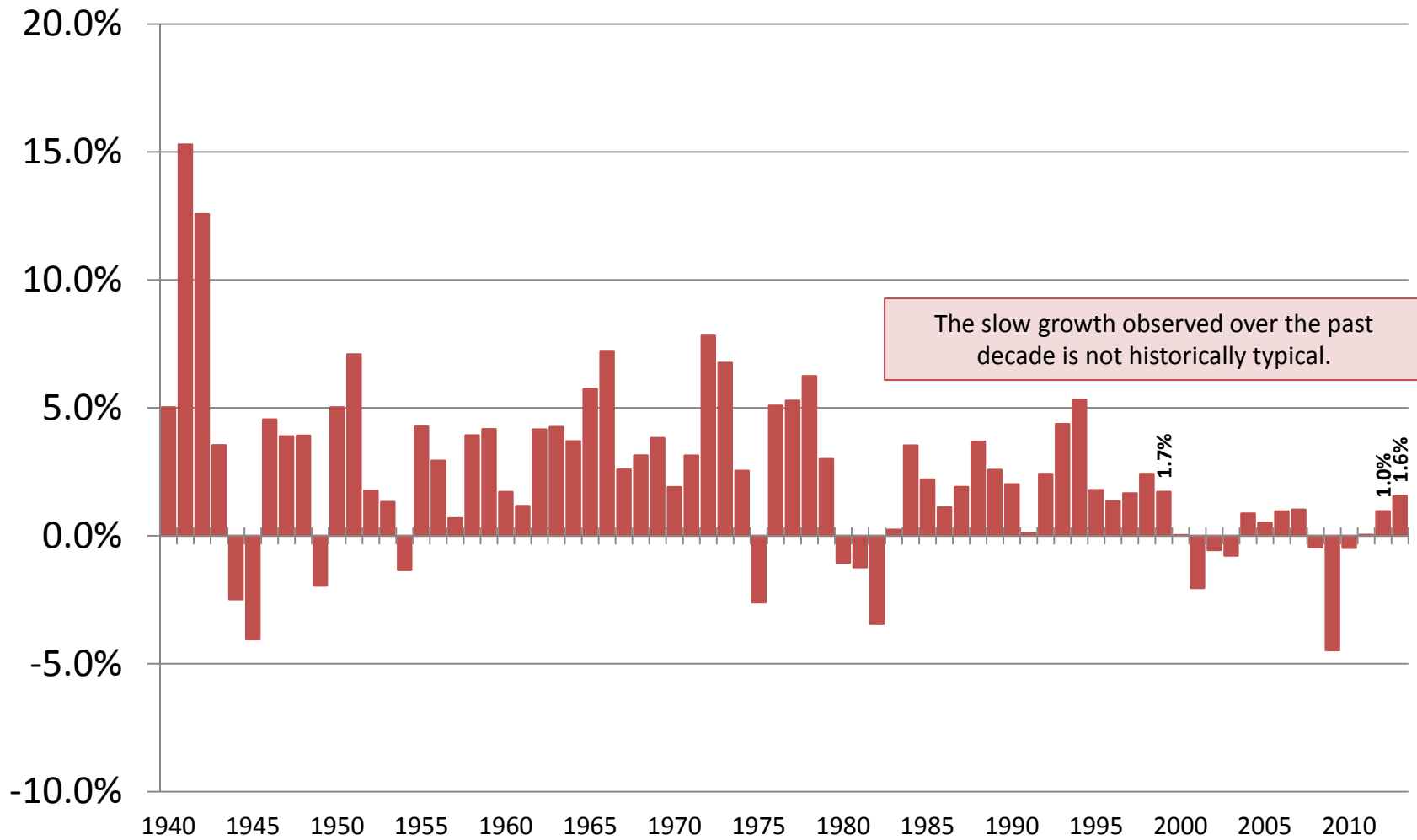
The Leading Index has made only gradual improvement for the past several months. The outlook is for continued modest growth in the coming months.

The Mississippi Index of Leading Indicators reflects economic conditions expected for the coming months. The index is constructed by the University Research Center and indexed to 2004. There are 8 components of the Index: MS Initial Unemployment Claims; MS Income Tax Withholdings; MS Value of Residential Building Permits; MS MFG Employment Intensity Index, MS Diesel Fuel Consumption Index; ISM Index of US MFG Activity; US Consumer Expectations Index and US Retail Sales.

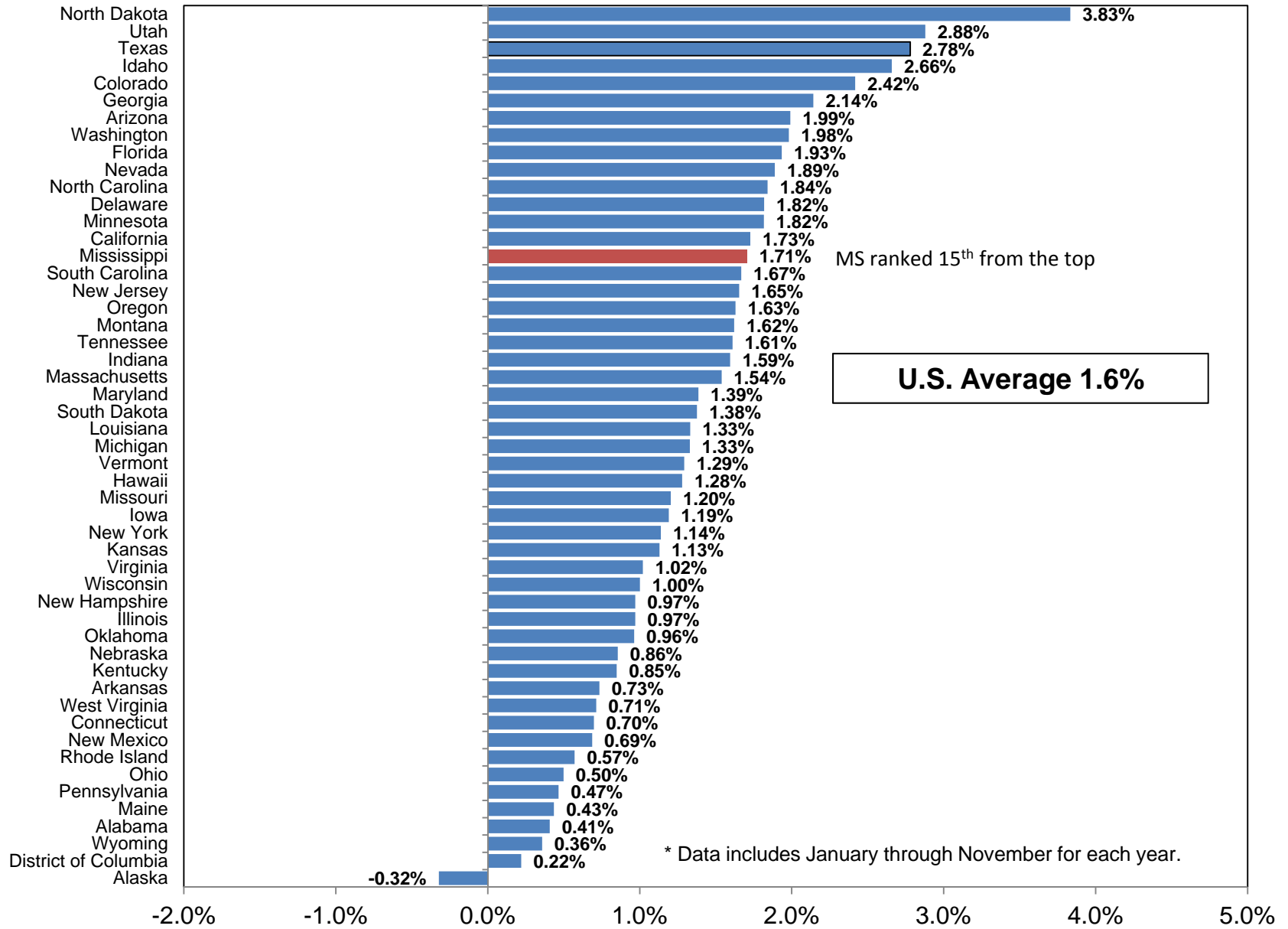
MS Nonfarm Employment



Annual MS Employment Growth, 1940-2013

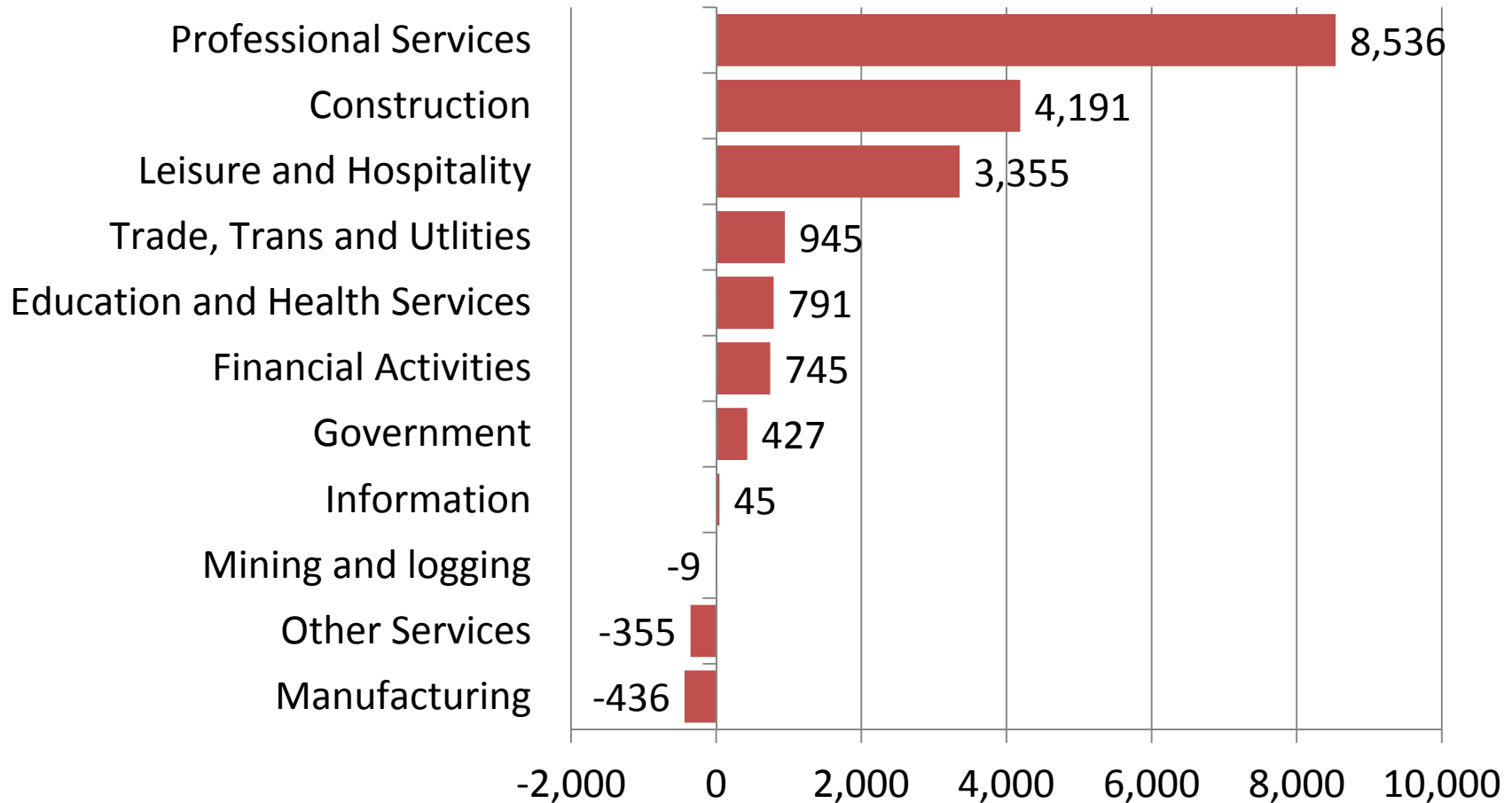


Percentage Change in Nonfarm Employment By State, 2012-2013*



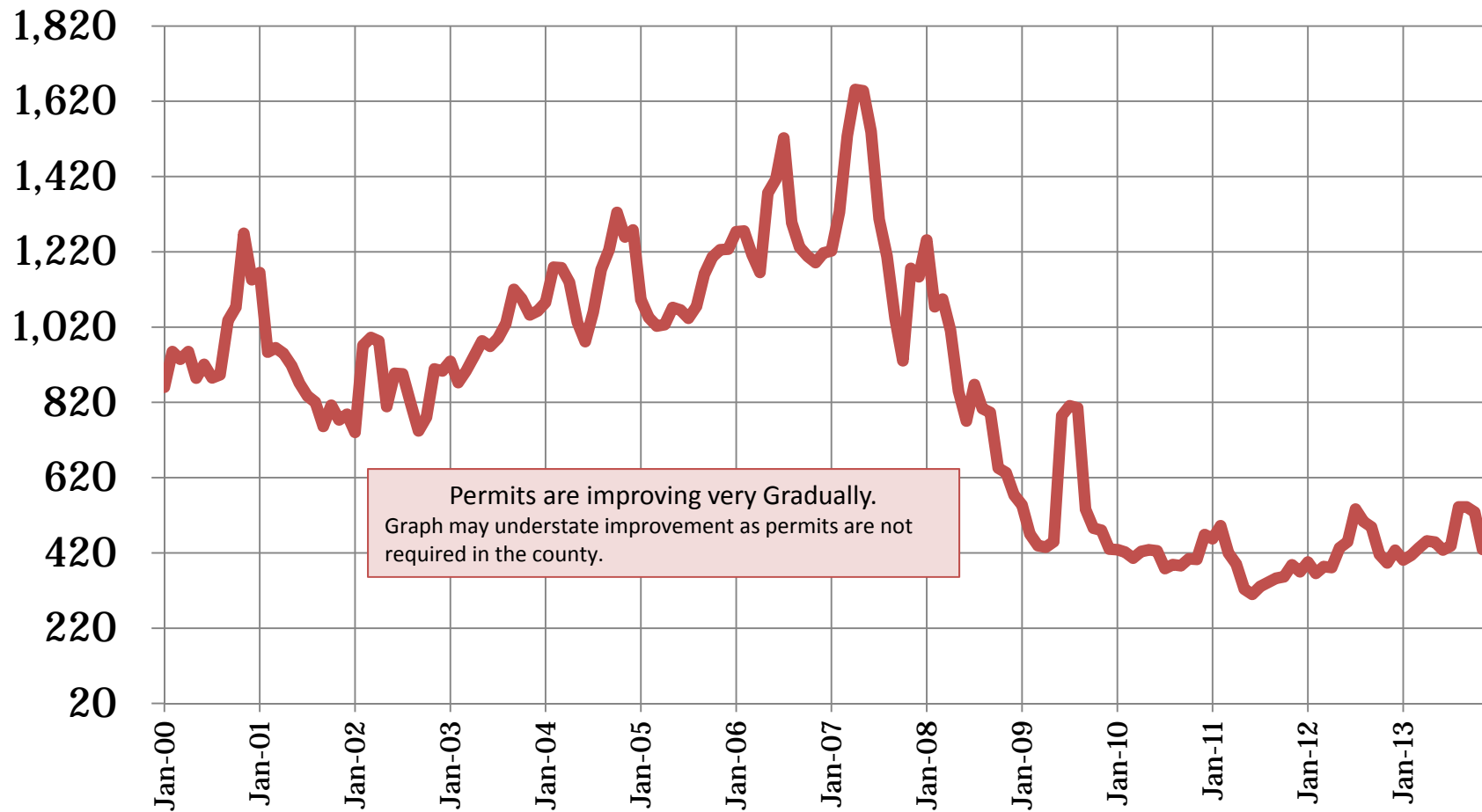
Where are the Jobs?

Mississippi added an average 18,818 jobs in 2013 over 2012

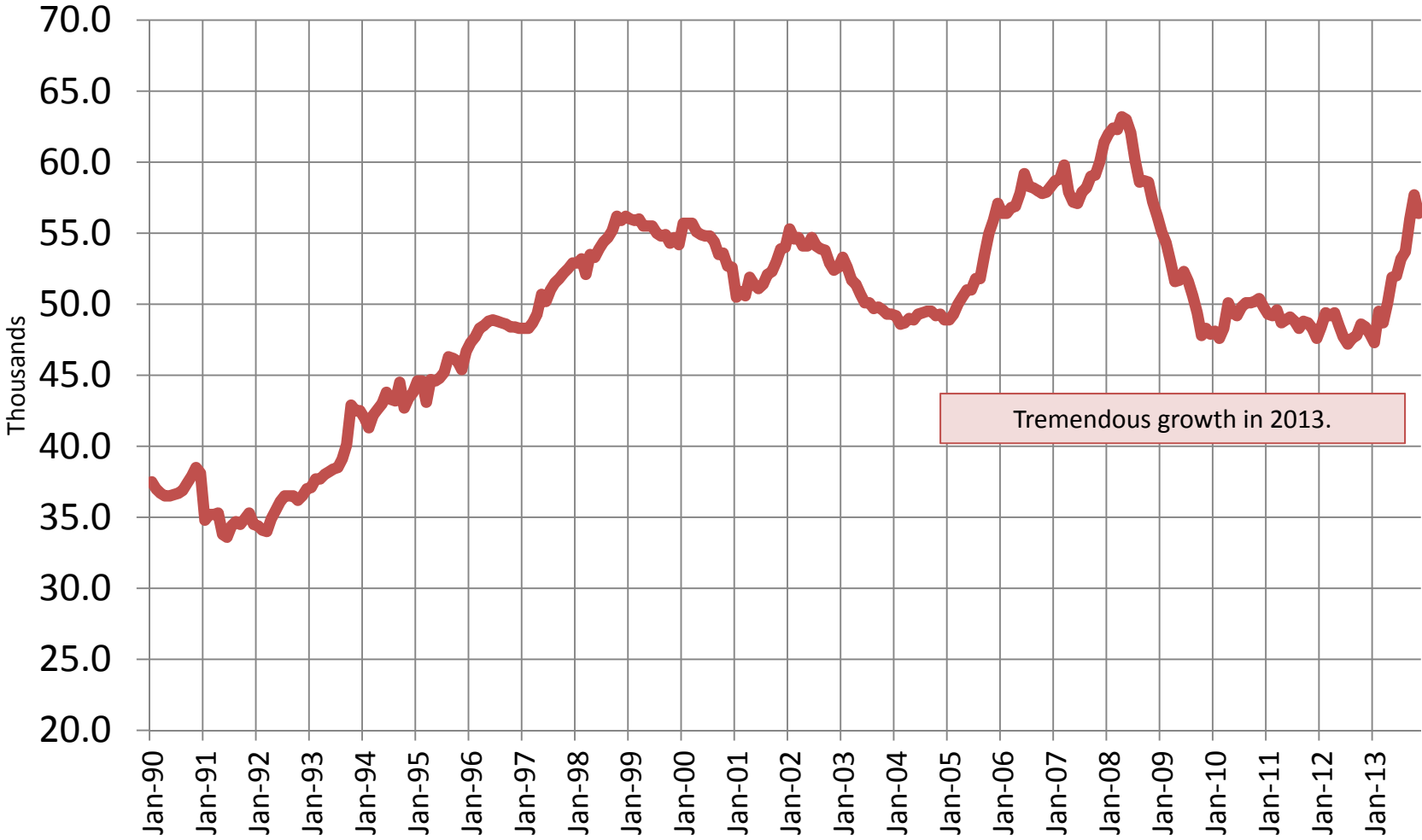


MS Residential Building Permits

Three Month Moving Average Number of Units

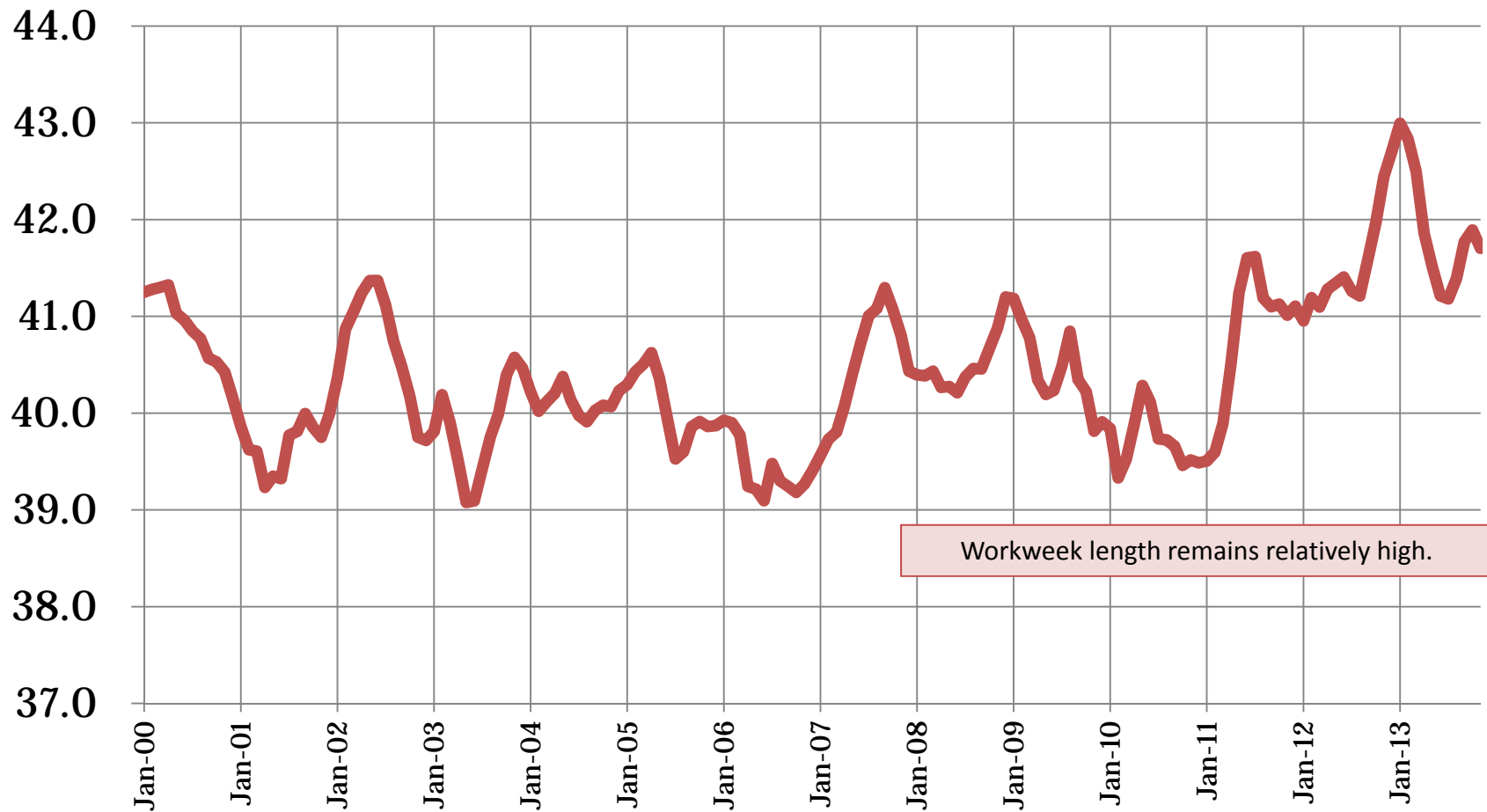


MS Construction Employment



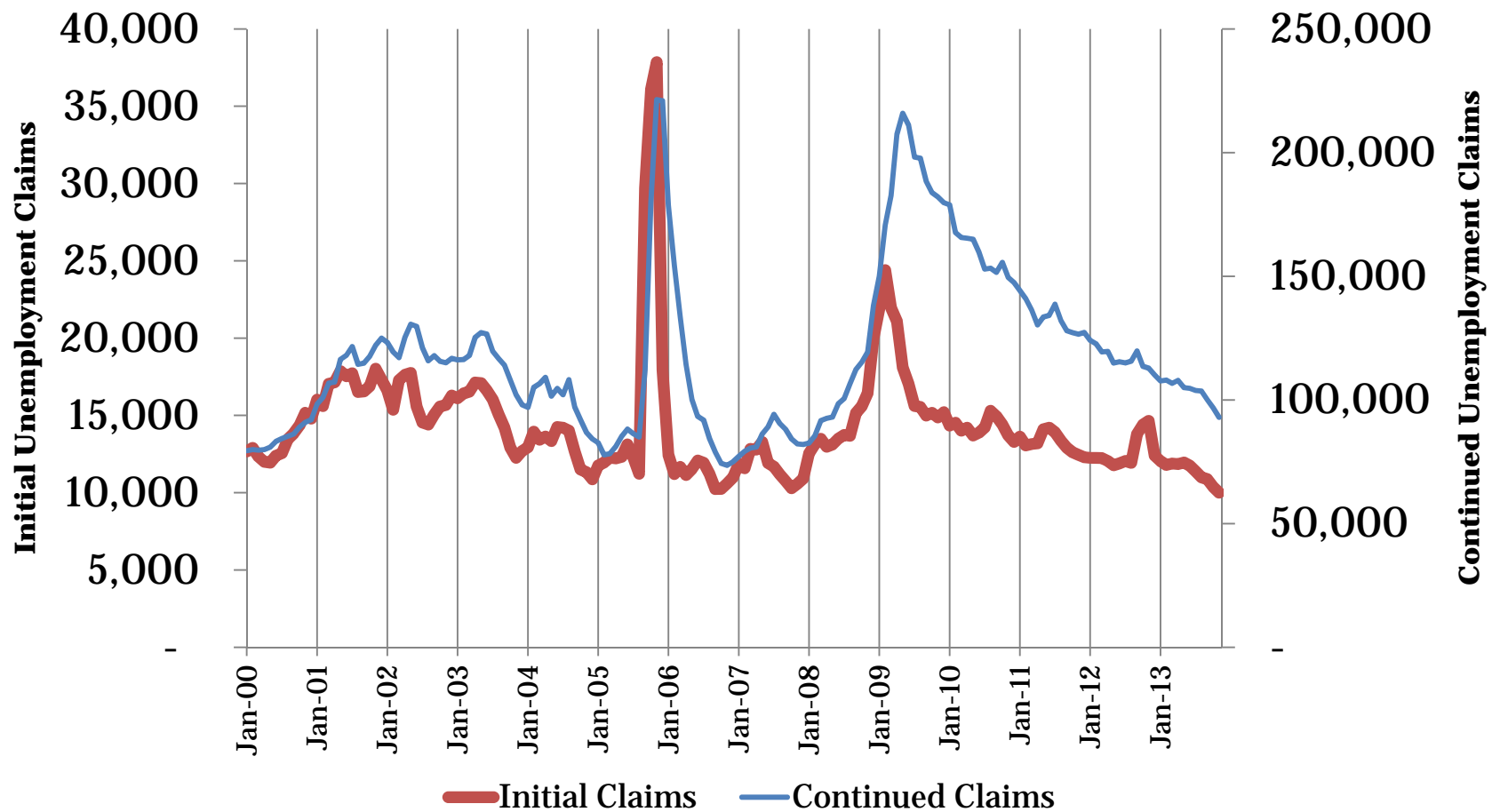
MS Manufacturing Workweek Length

Three Month Moving Average



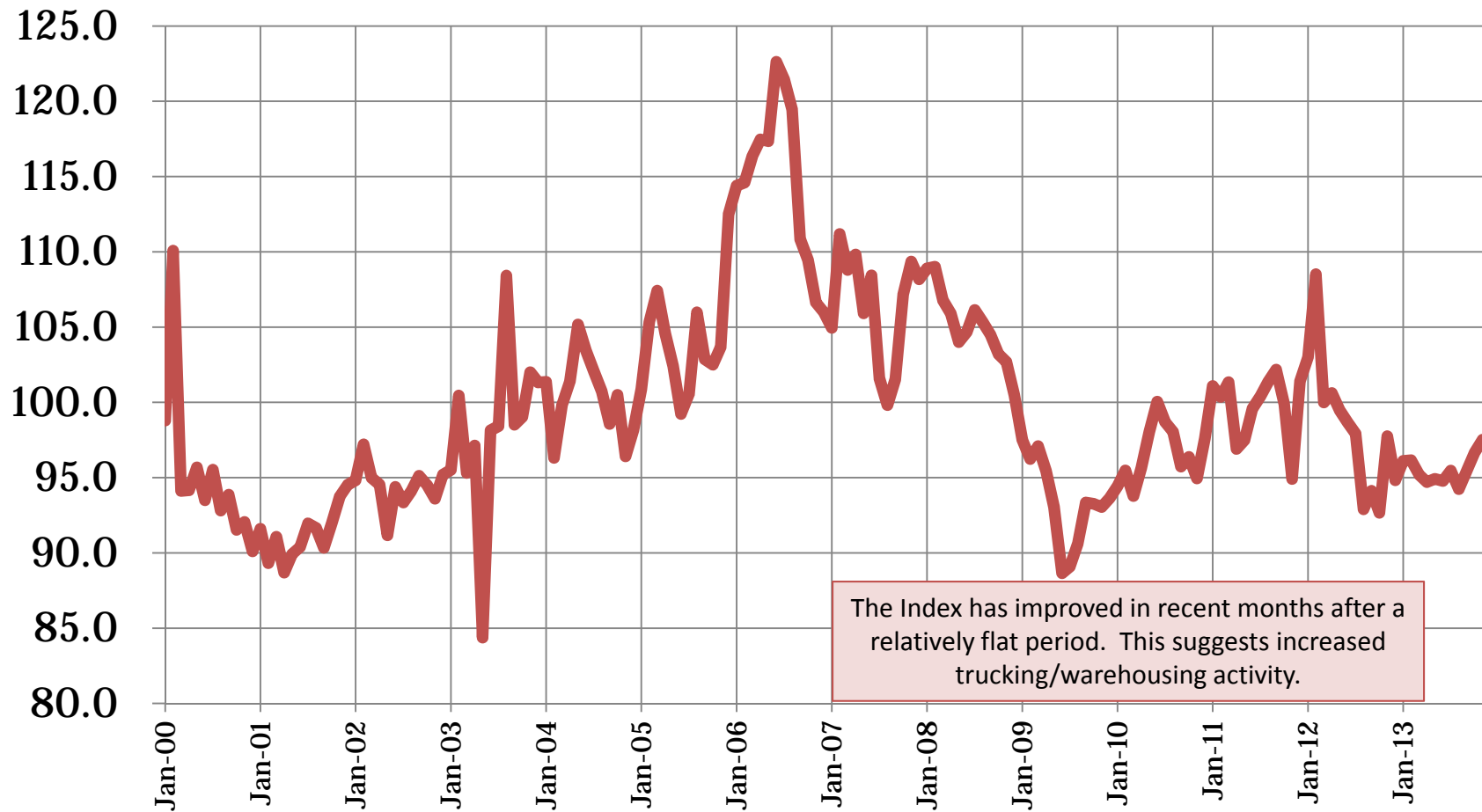
Unemployment Claims

Three Month Moving Average



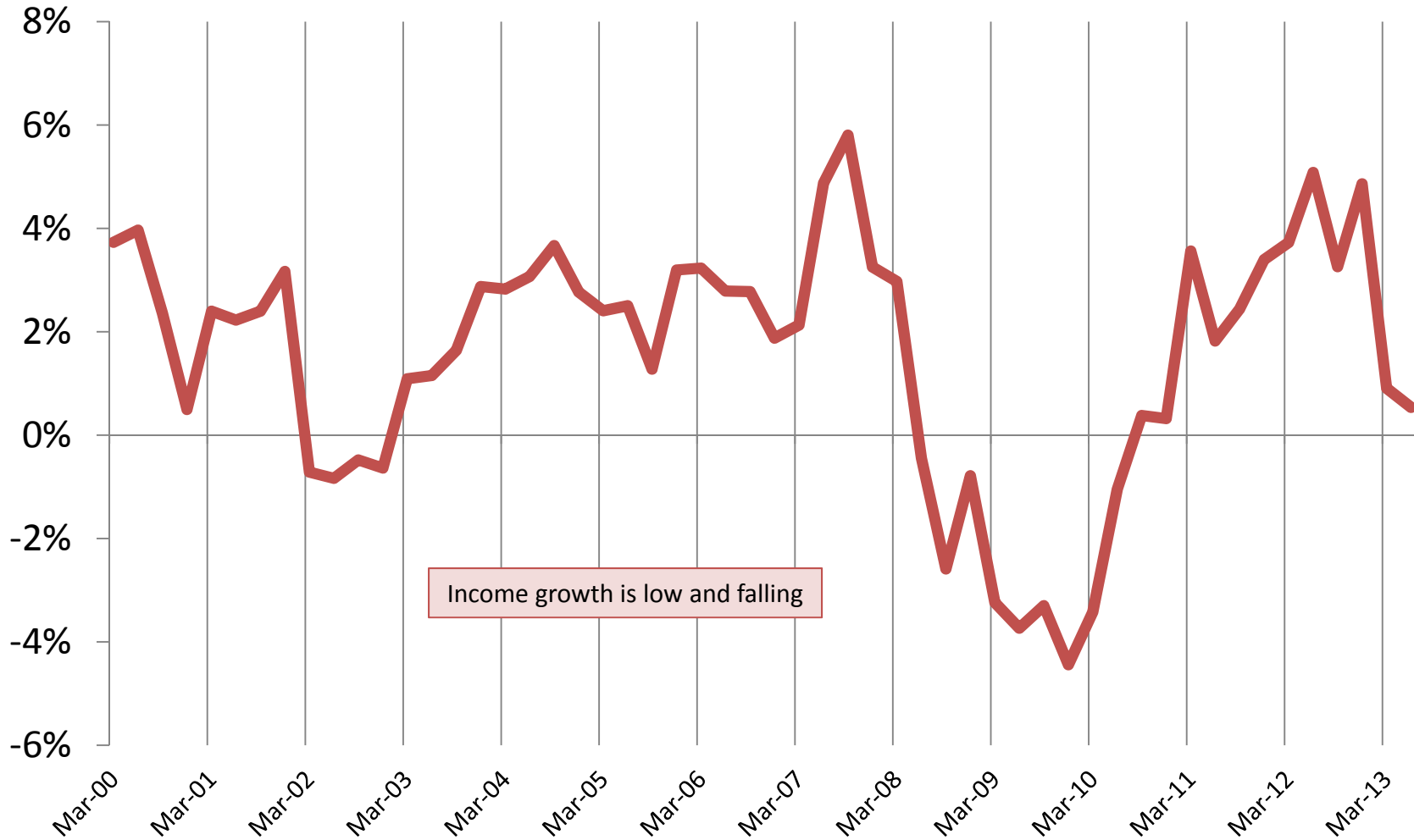
MS Diesel Fuel Consumption Index

Three Month Moving Average



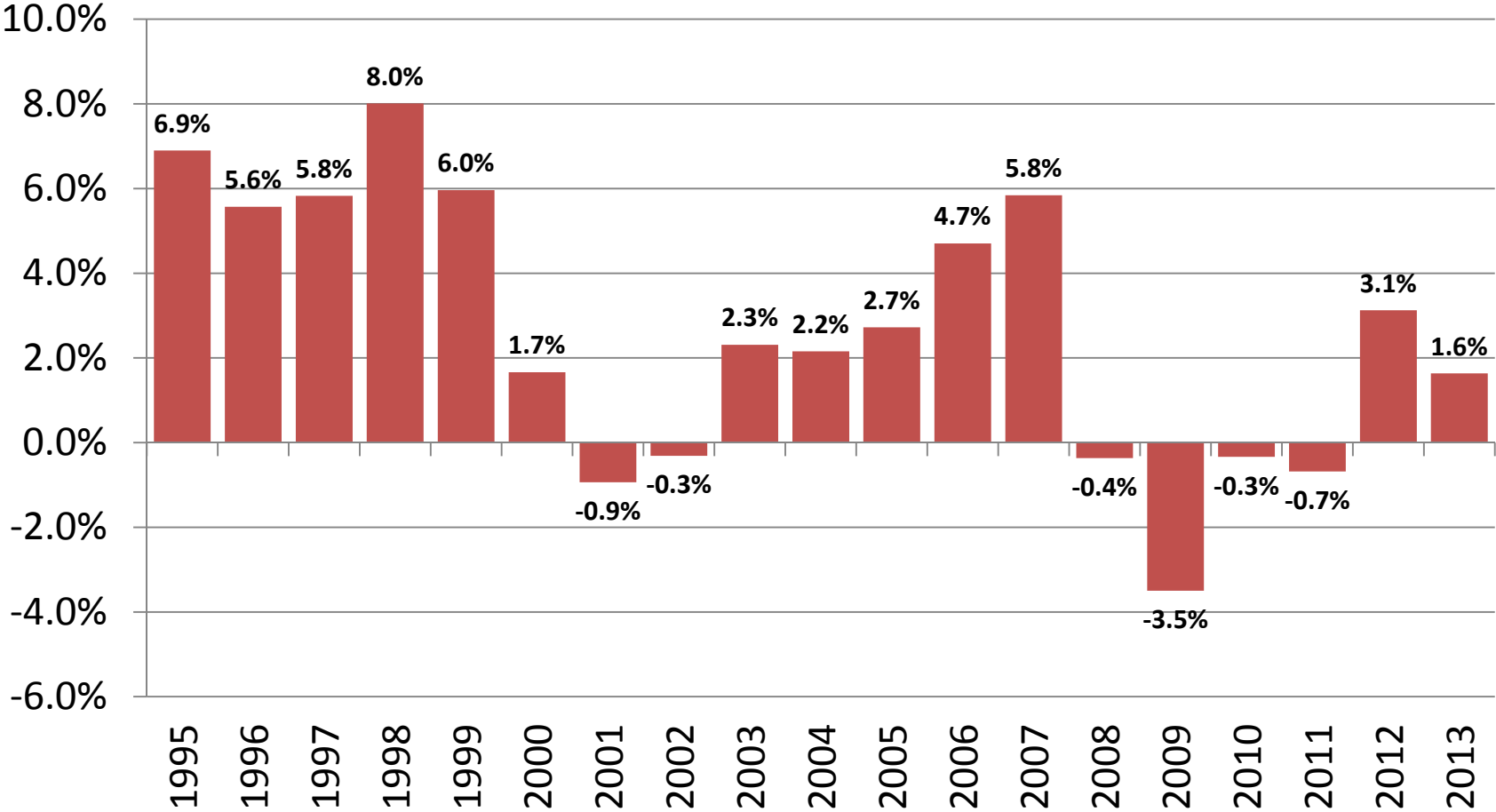
Year-Over-Year Growth in MS

Real Personal Income Less Transfer Payments

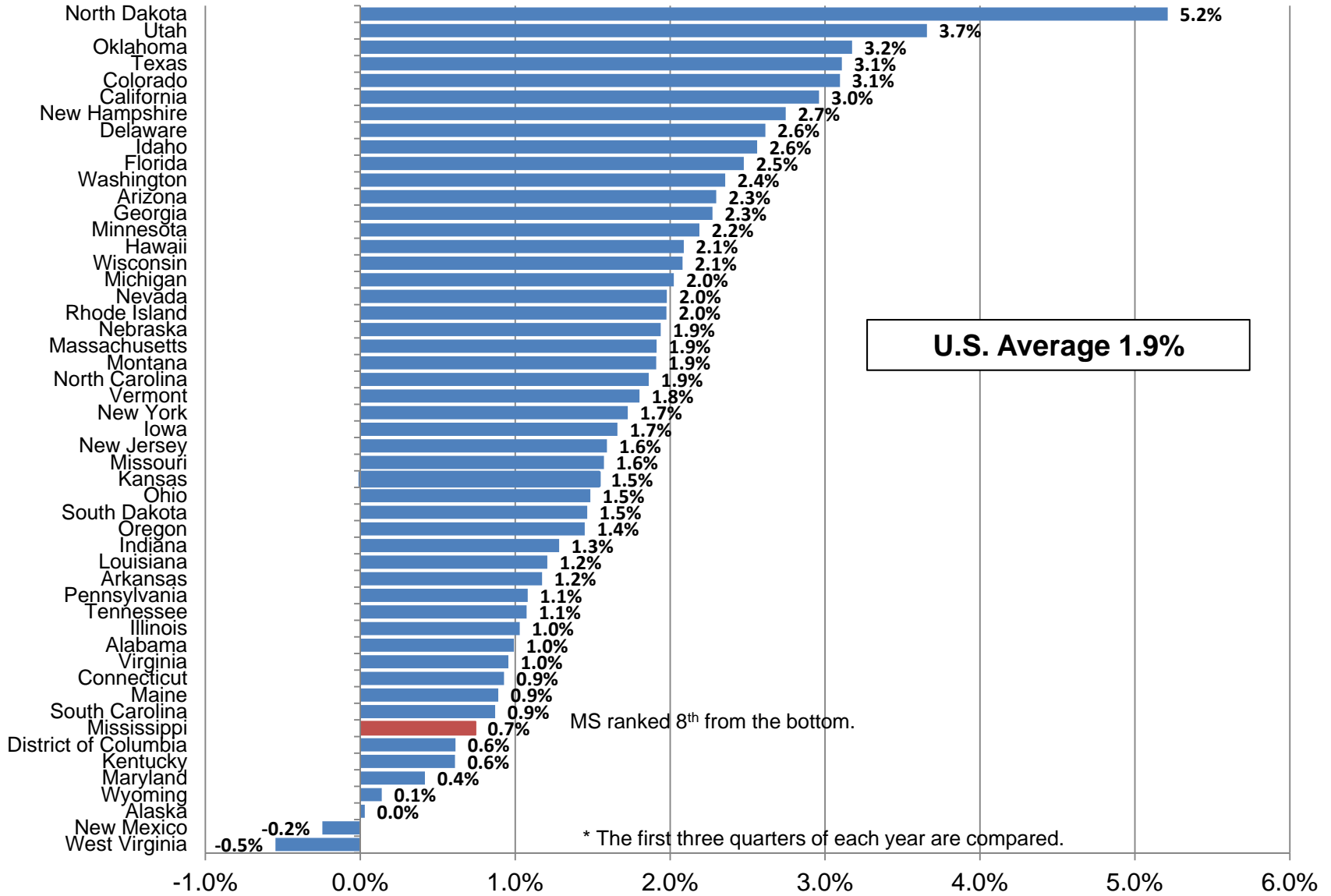


Mississippi Income Tax Withholdings

Growth Over Prior Year, Inflation Adjusted

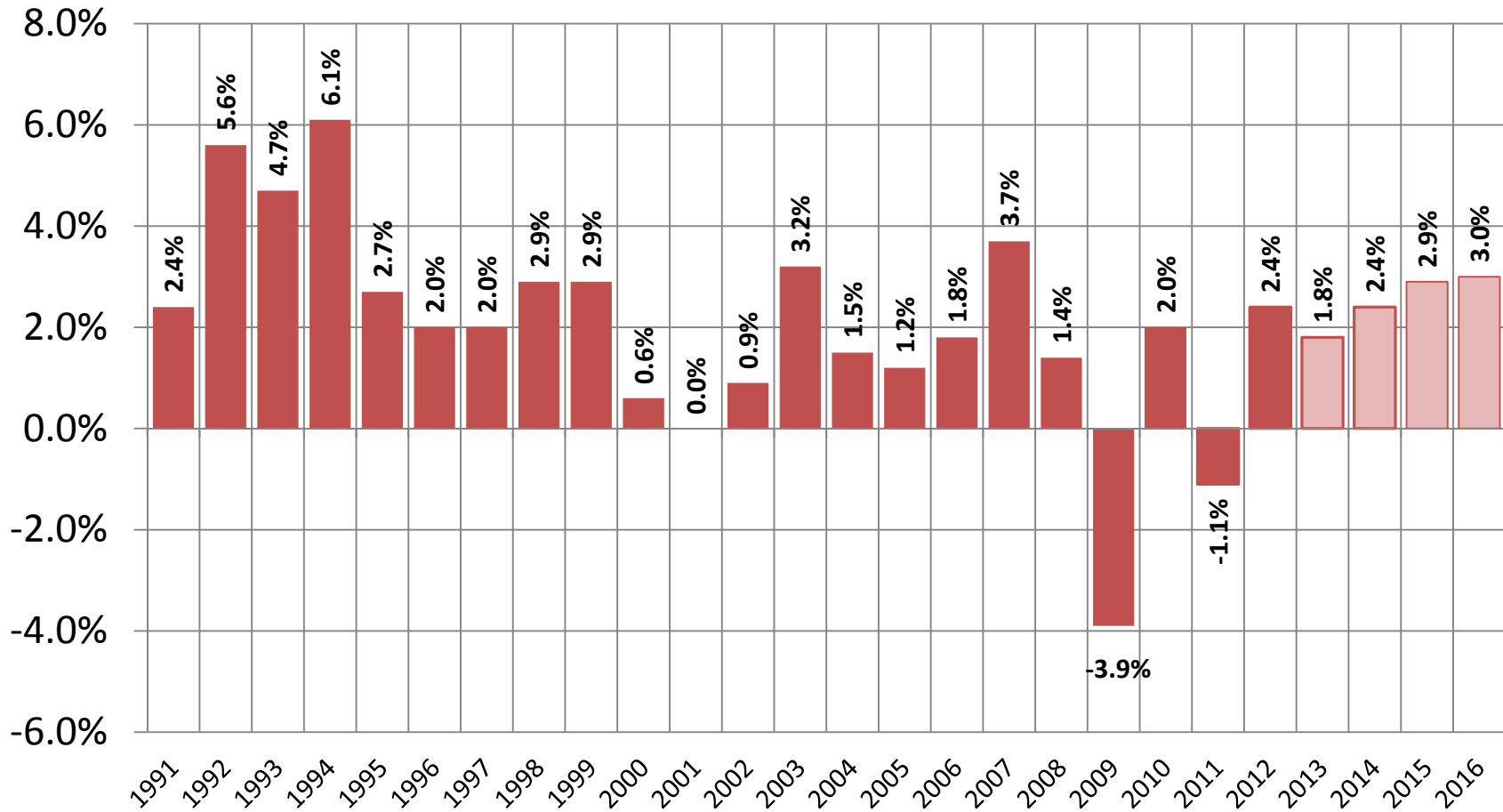


Growth in Wage And Salary Disbursements, By State, 2012-2013*



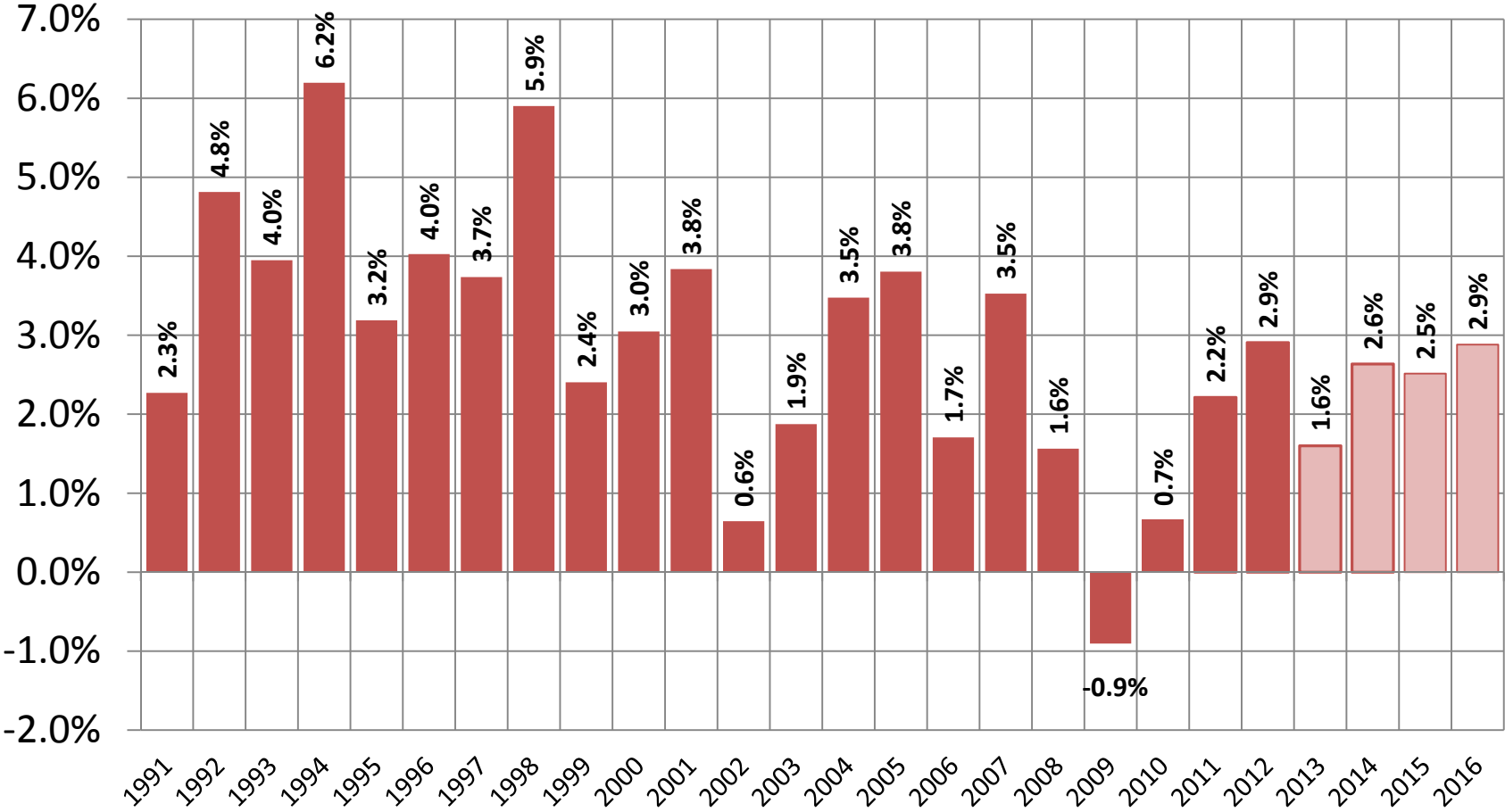
Growth In Real MS GDP

Historical and **University Research Center** Projections



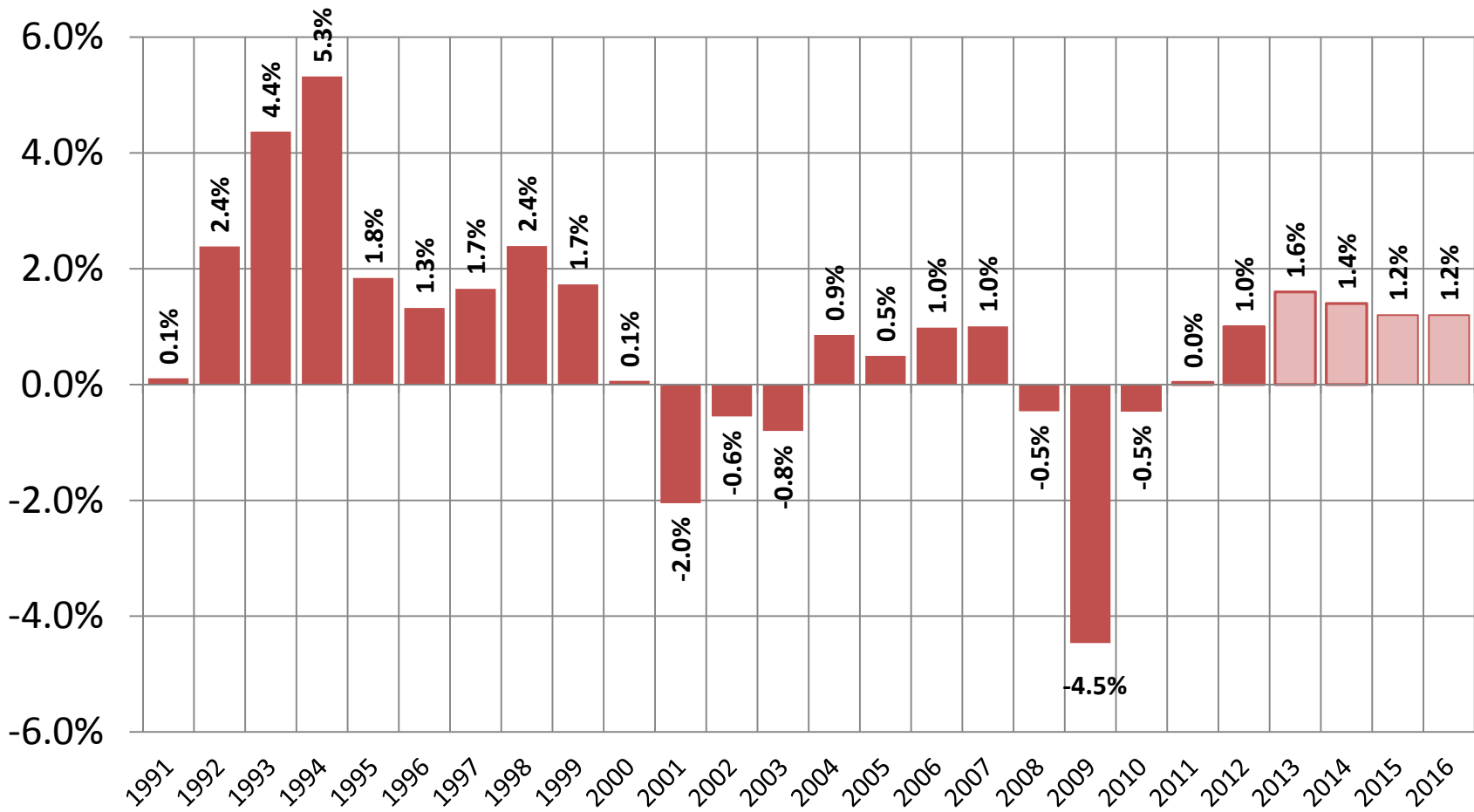
Growth In Real Total Personal Income

Historical and **University Research Center** Projections

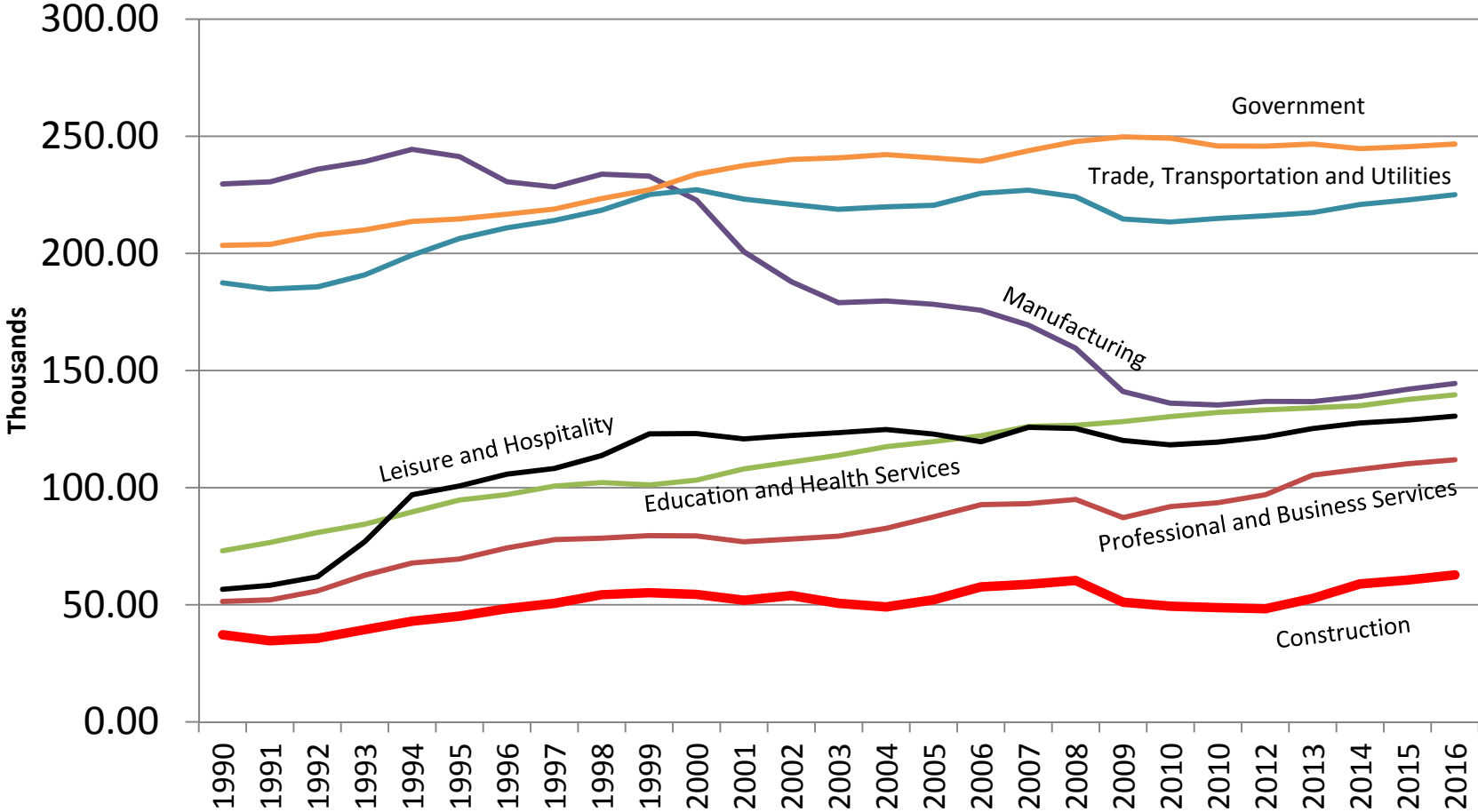


Growth In MS Nonfarm Employment

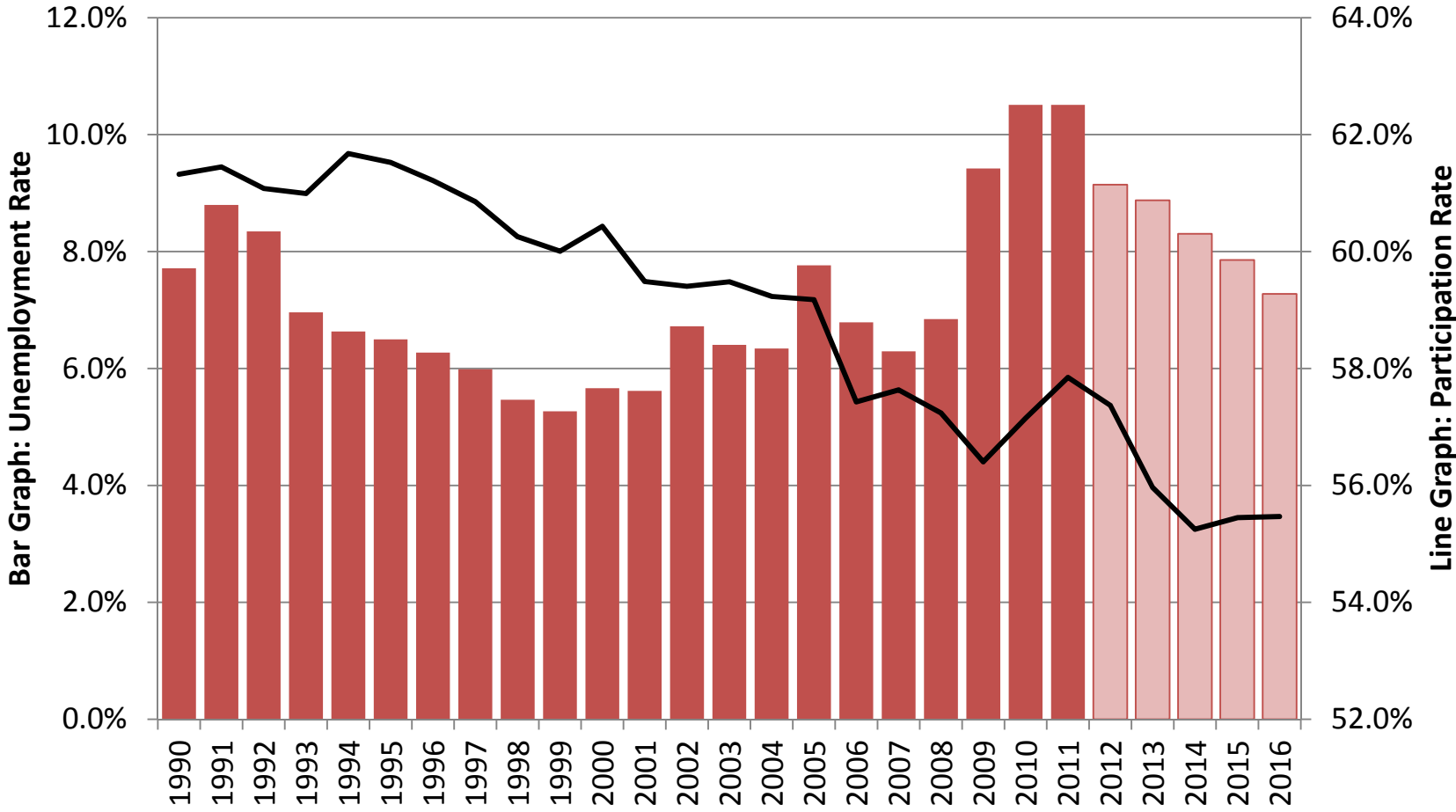
Historical and **University Research Center** Projections



Historical and Projected Employment for Major Sectors in Mississippi



MS Unemployment Rate and Workforce Participation Rate



Highlights

- The US economy is growing and making gradual improvement
 - Economic fundamentals appear to be sound going into 2014
 - Consumer spending, business investments, housing, relatively stable energy prices
 - While Growth in 2014 will be ahead of 2013, it will remain slow historically
 - We still face relatively high levels of uncertainty; job growth remains somewhat subdued; consumers and governments still face high debt levels
 - Growth will continue to gradually improve over the next few years
- The MS economy is following a similar pattern
 - Strongest employment growth since 1999
 - Income growth however has been much more modest
 - Much of employment growth is from low-wage and temporary jobs, but as National economy improves MS growth should become more solid