



Legislative Economic Briefing

January 16, 2014

Mississippi University Research Center

Mississippi Institutions of Higher Learning

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Overview

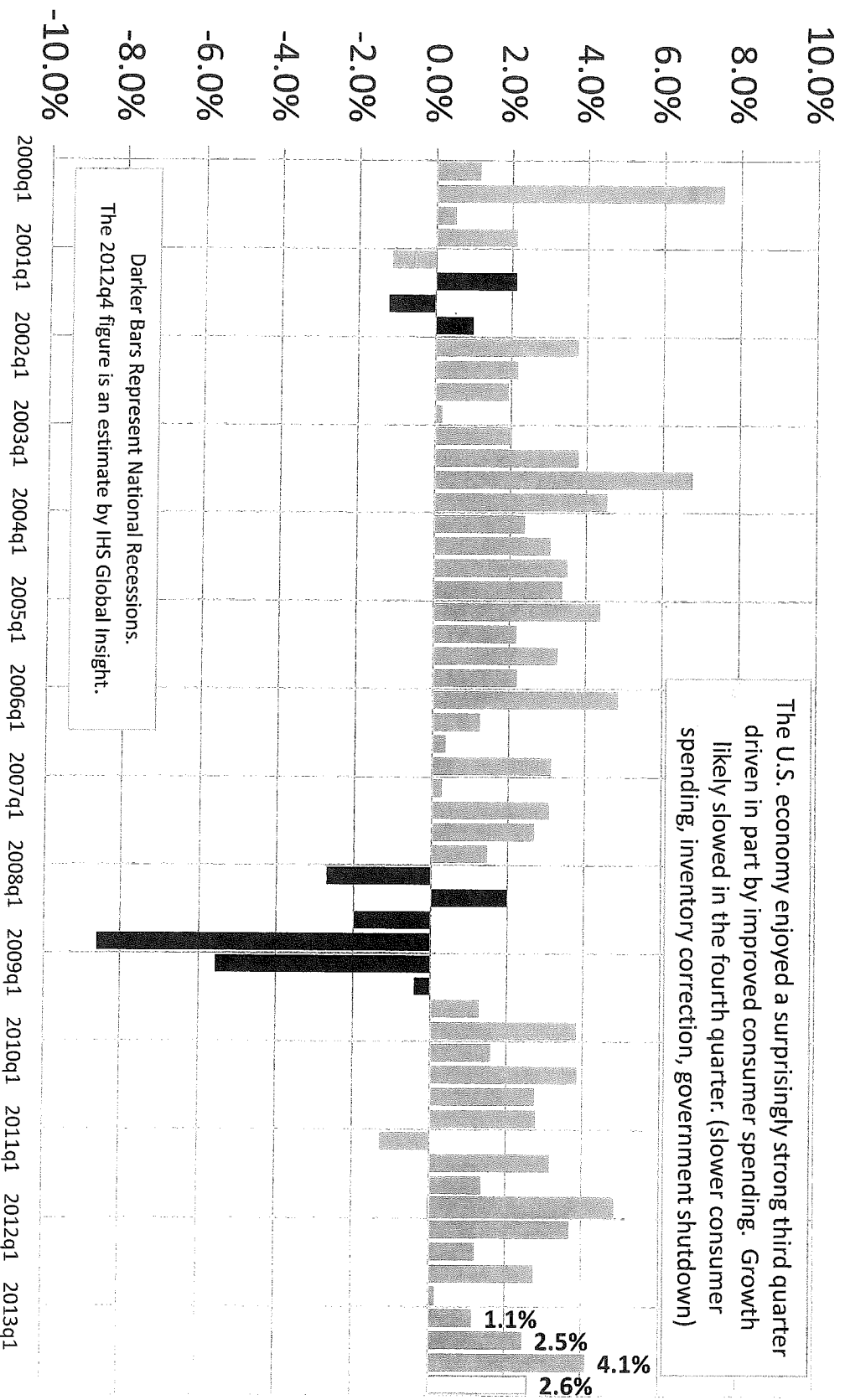
- US economy continues to expand and is improving
 - Headwinds have slowly dissipated and fundamentals of economy appear sound going into 2014
- The MS economy is growing
 - Primarily a jobs recovery
 - Income growth is much more modest
- Improvement in growth is gradual
- On track to make 2014 GF Estimate and assuming no recession, the 2015 GF Estimate is also attainable

NATIONAL TRENDS

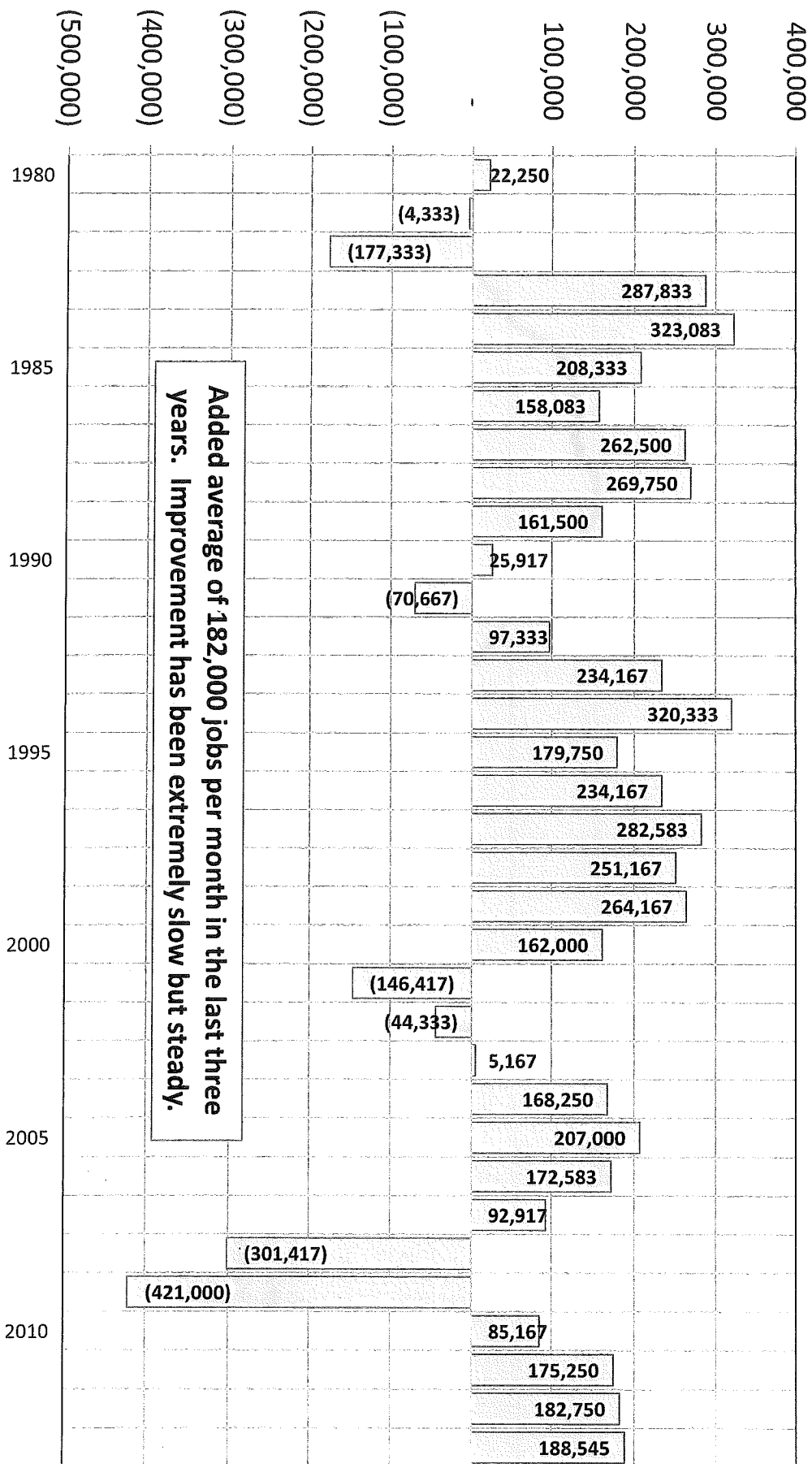
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Annualized Quarterly Growth in Real GDP

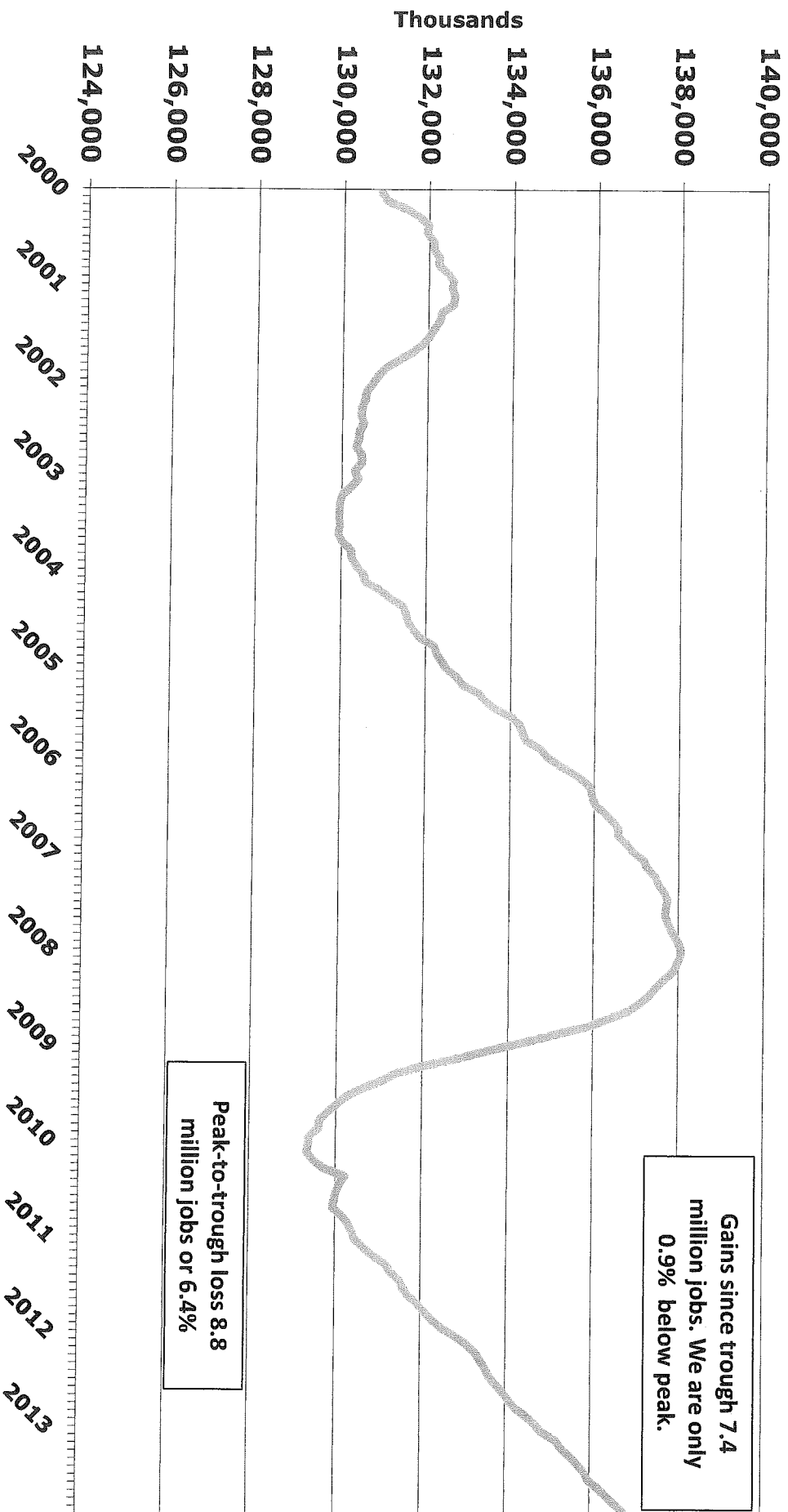


Average US Jobs Added By Month By Year

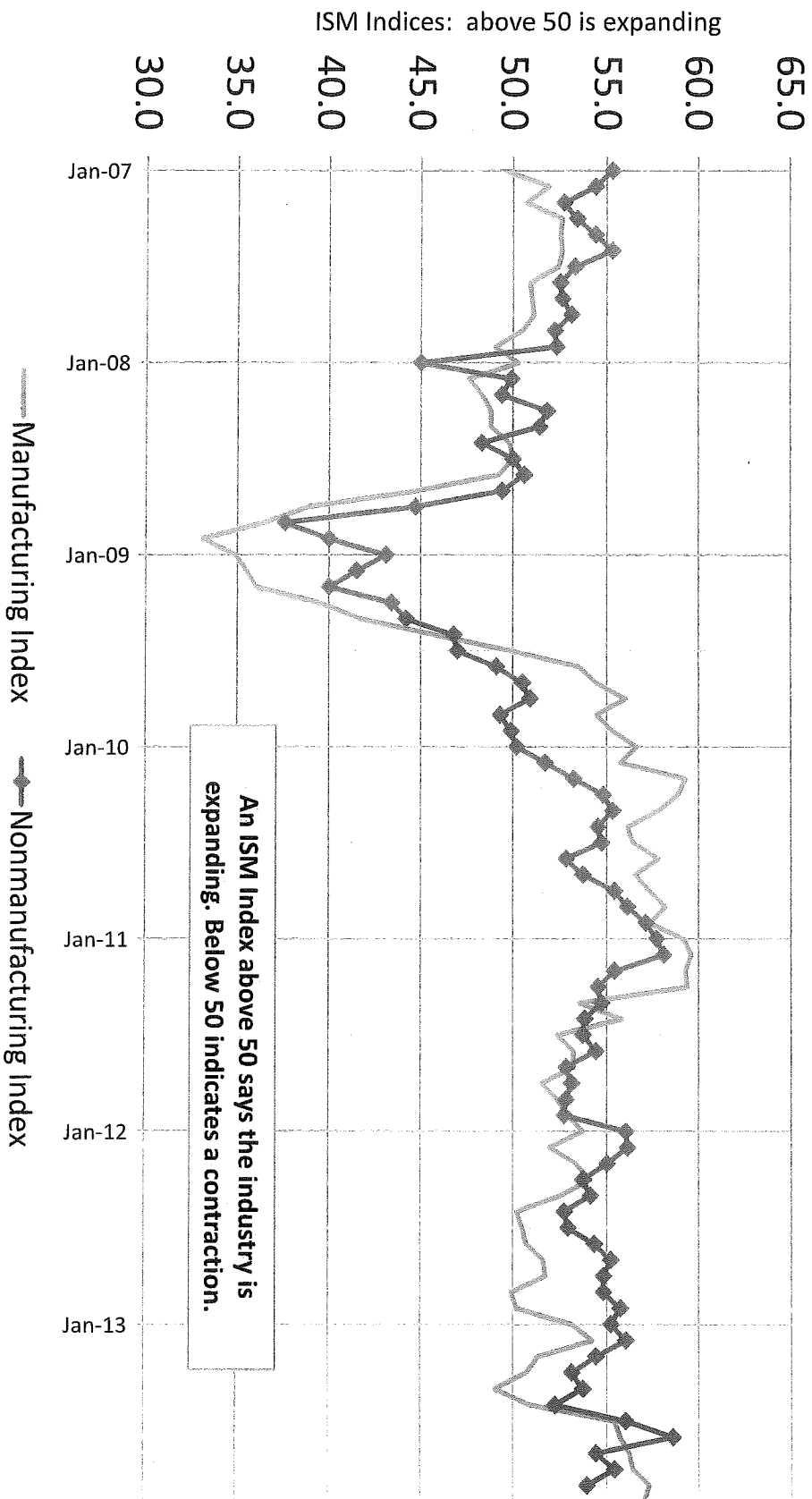


Added average of 182,000 jobs per month in the last three years. Improvement has been extremely slow but steady.

US Nonfarm Employment

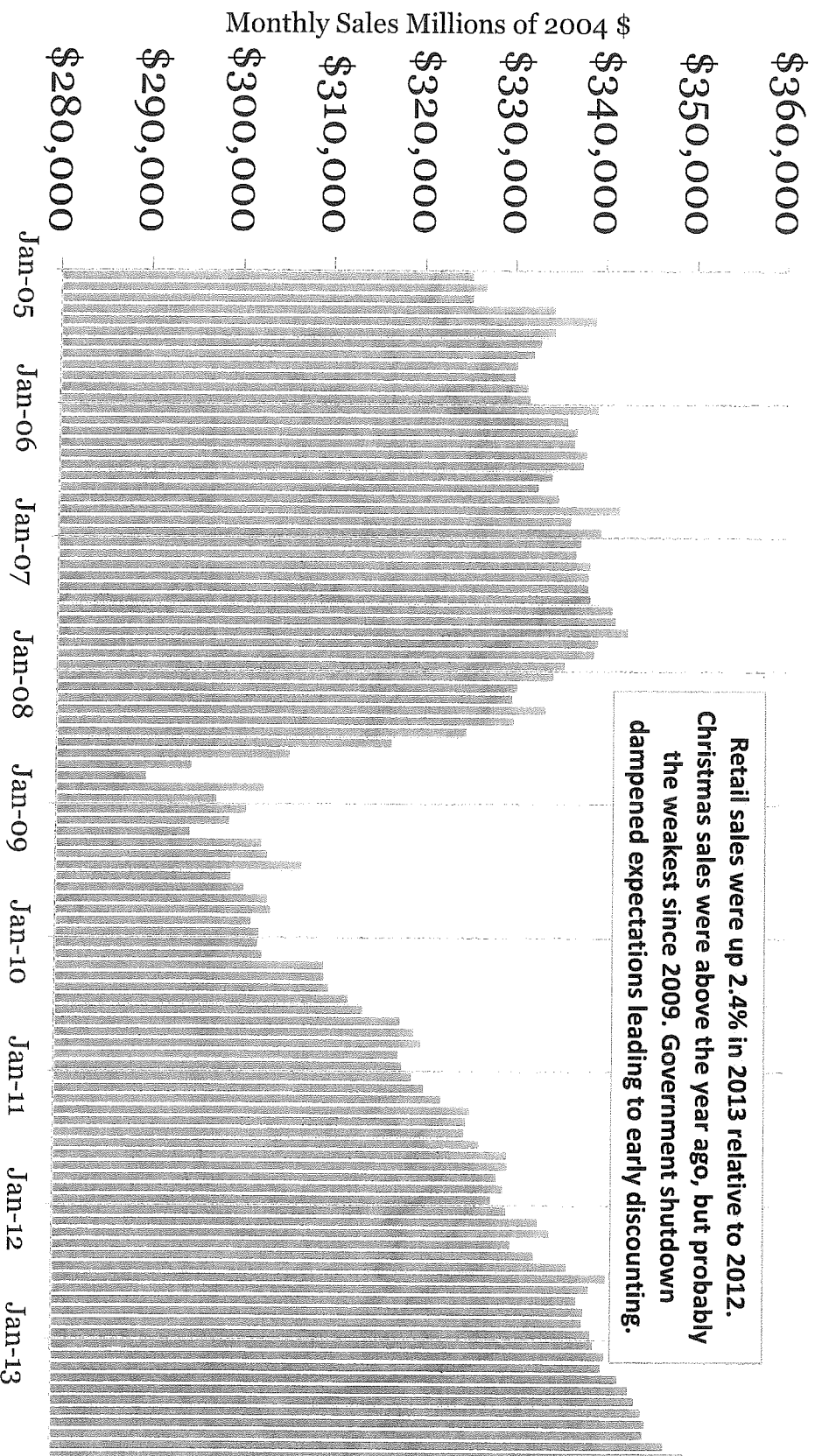


Institute For Supply Management Indices

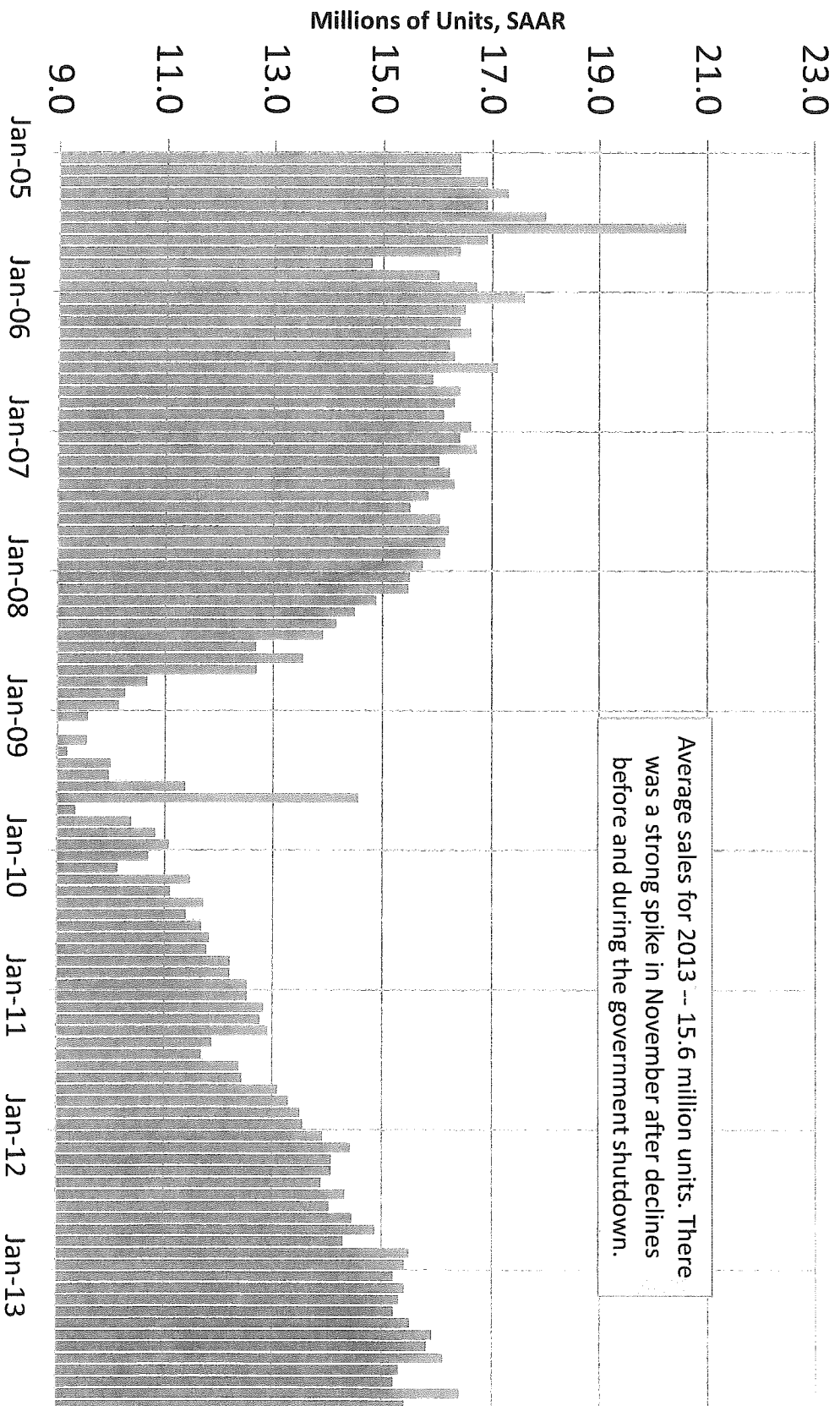


Real US Retail Sales

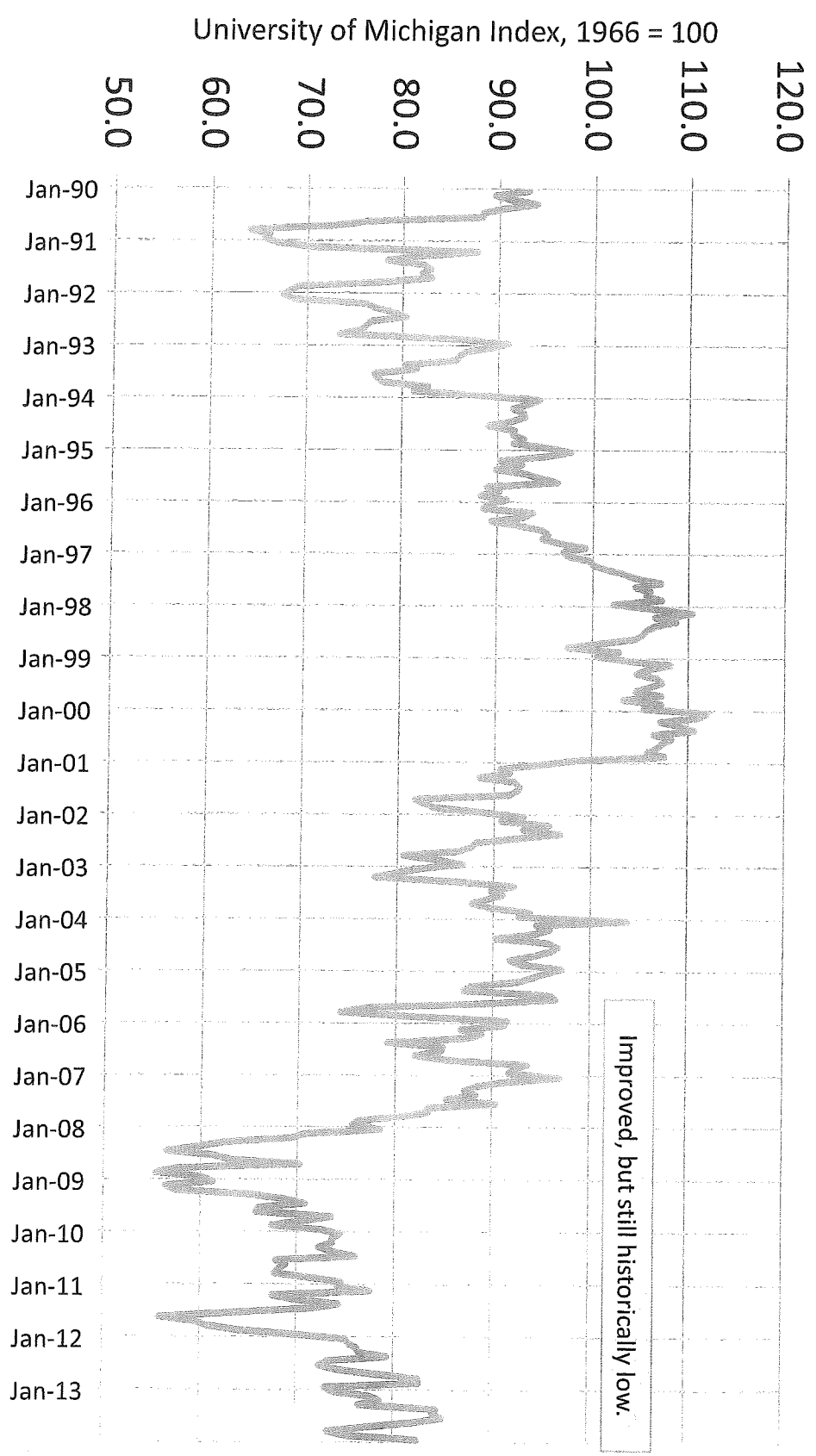
Adjusted for Inflation



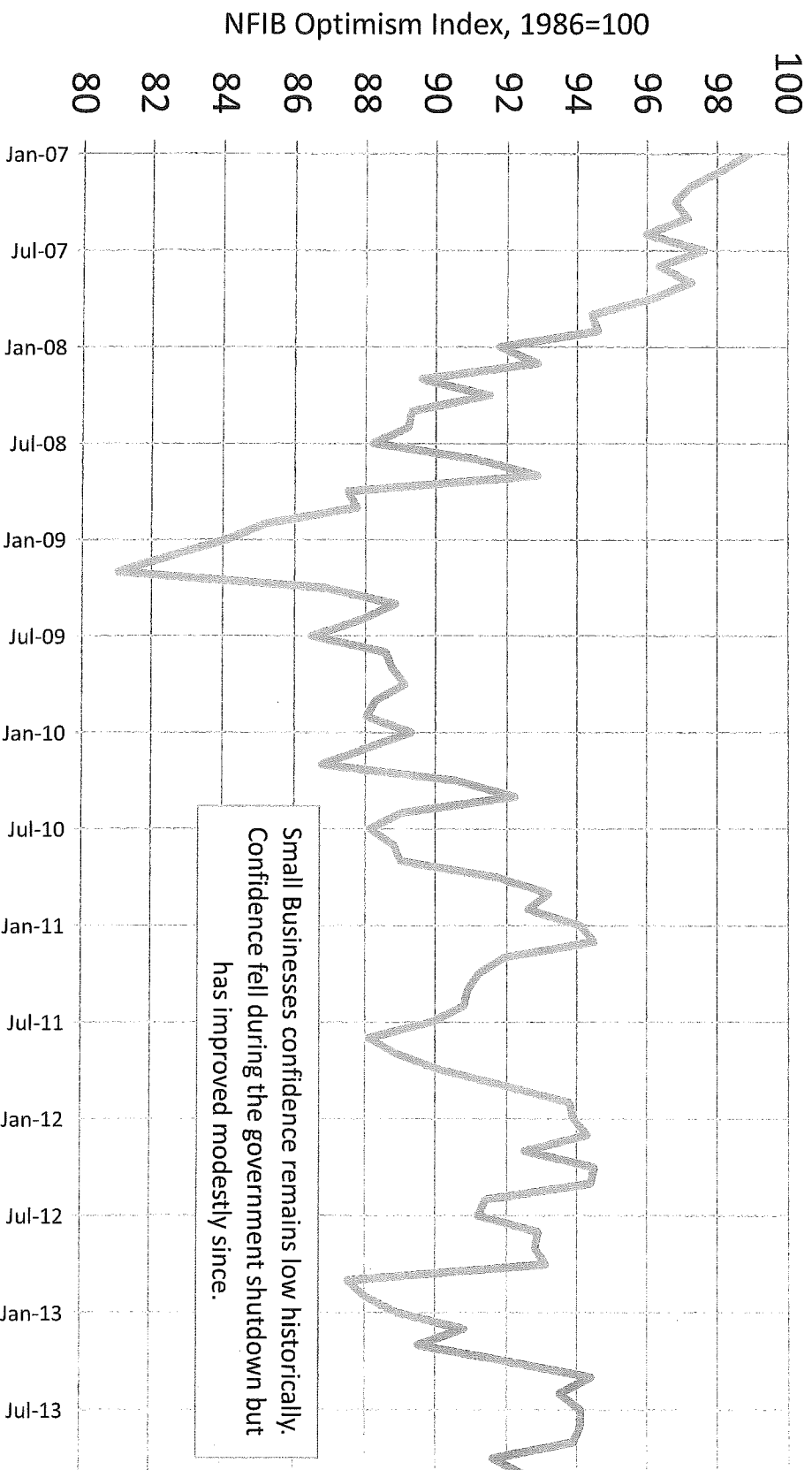
US Light Vehicle Sales



US Consumer Sentiment

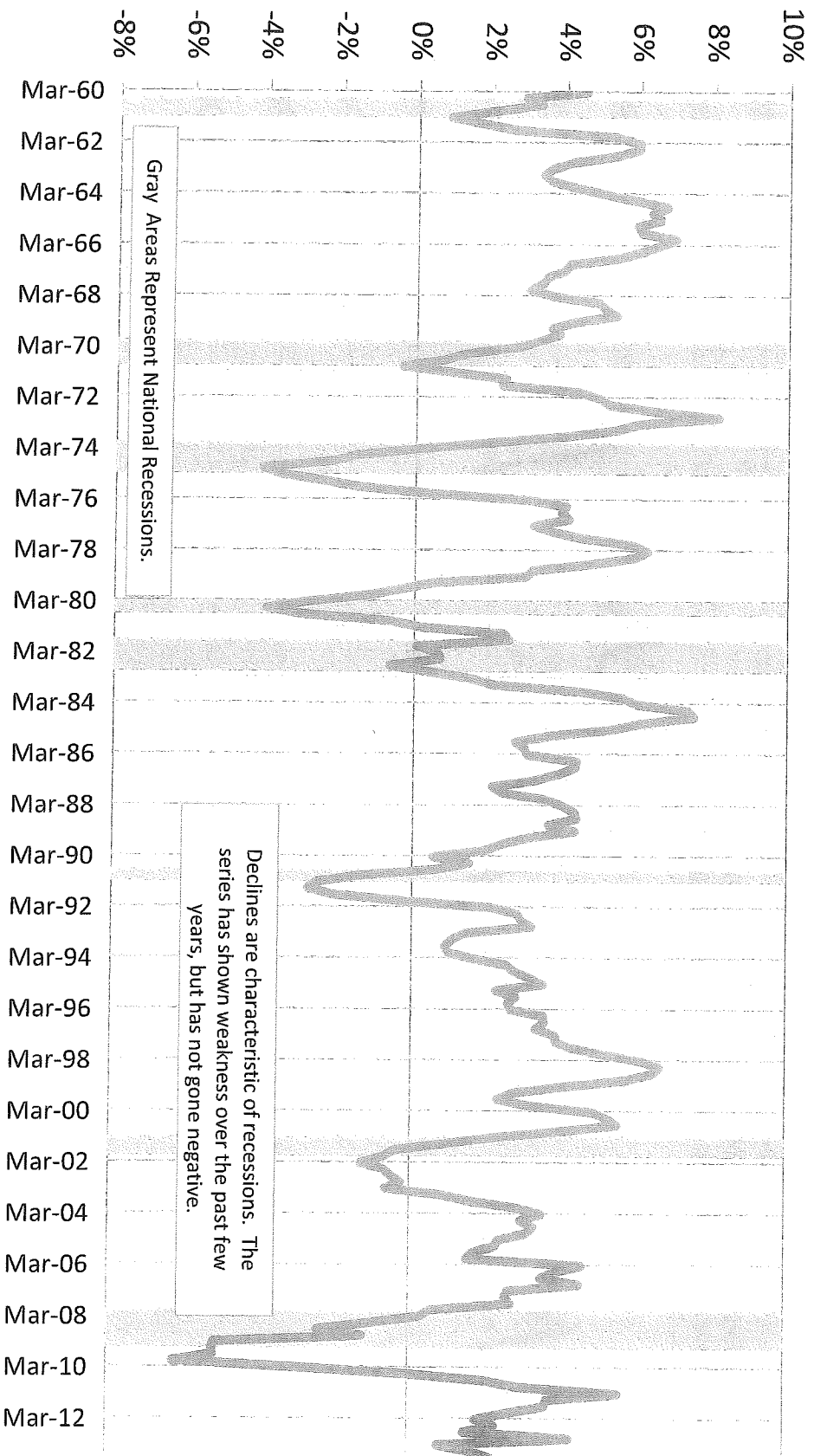


National Federation of Independent Businesses Optimism Index



Year-Over-Year Growth in Real Personal Income Less Transfer Payments

by Quarter



Gray Areas Represent National Recessions.

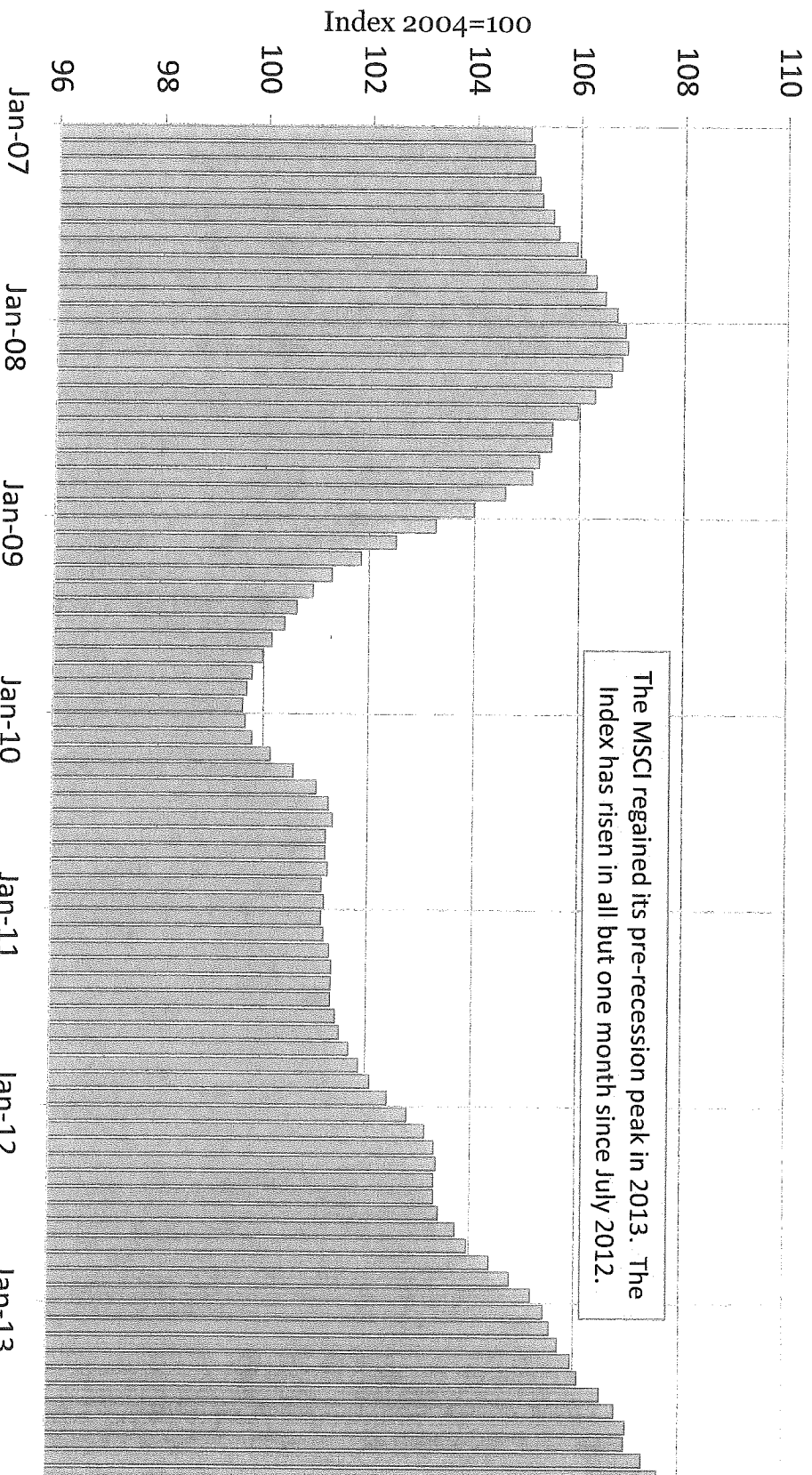
Declines are characteristic of recessions. The series has shown weakness over the past few years, but has not gone negative.

STATE TRENDS

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MS Index of Coincident Indicators



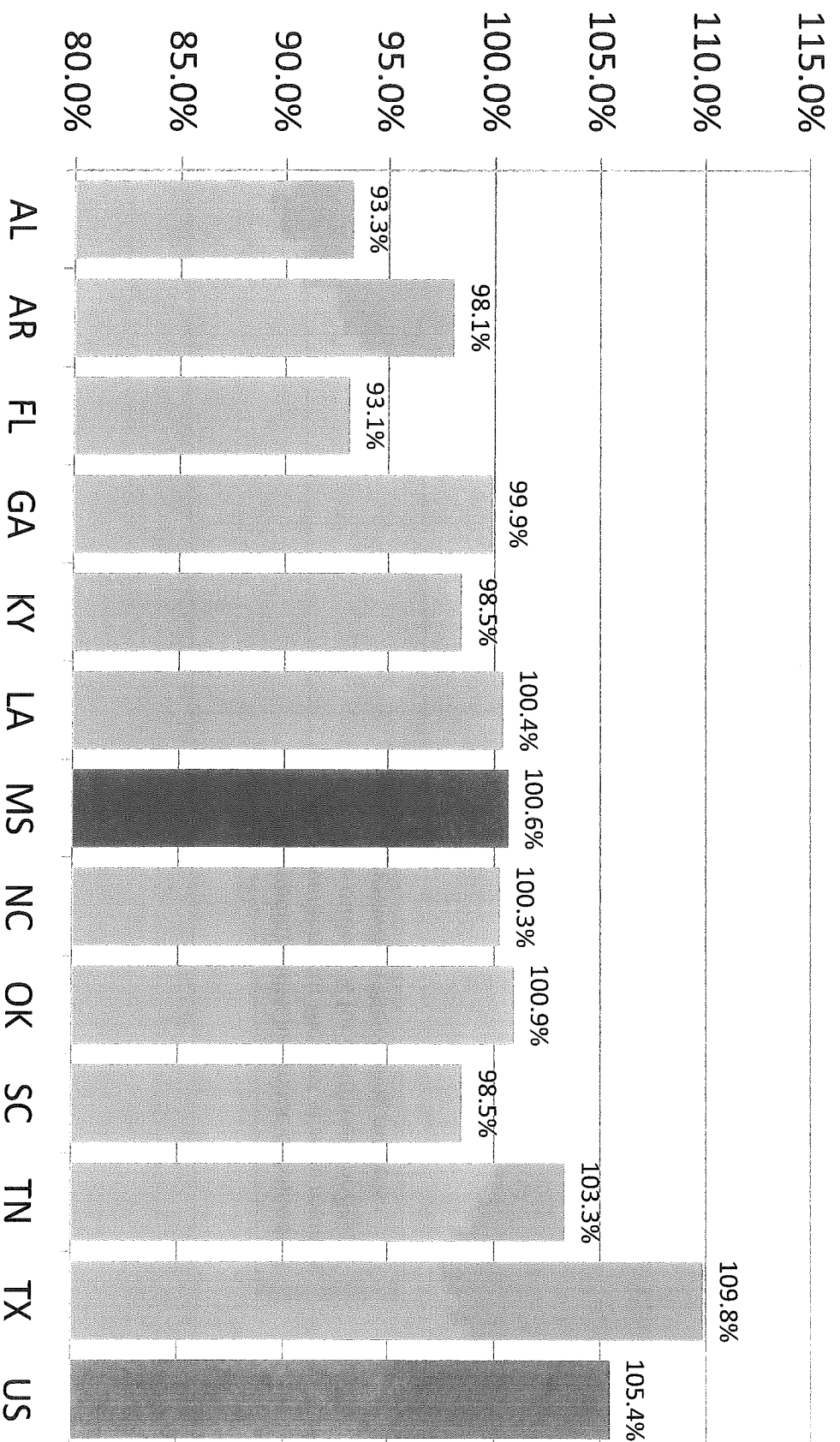
The Mississippi Index of Coincident Indicators reflects economic conditions existing in a given month. The index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek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

Jan-Apr 26, 2014

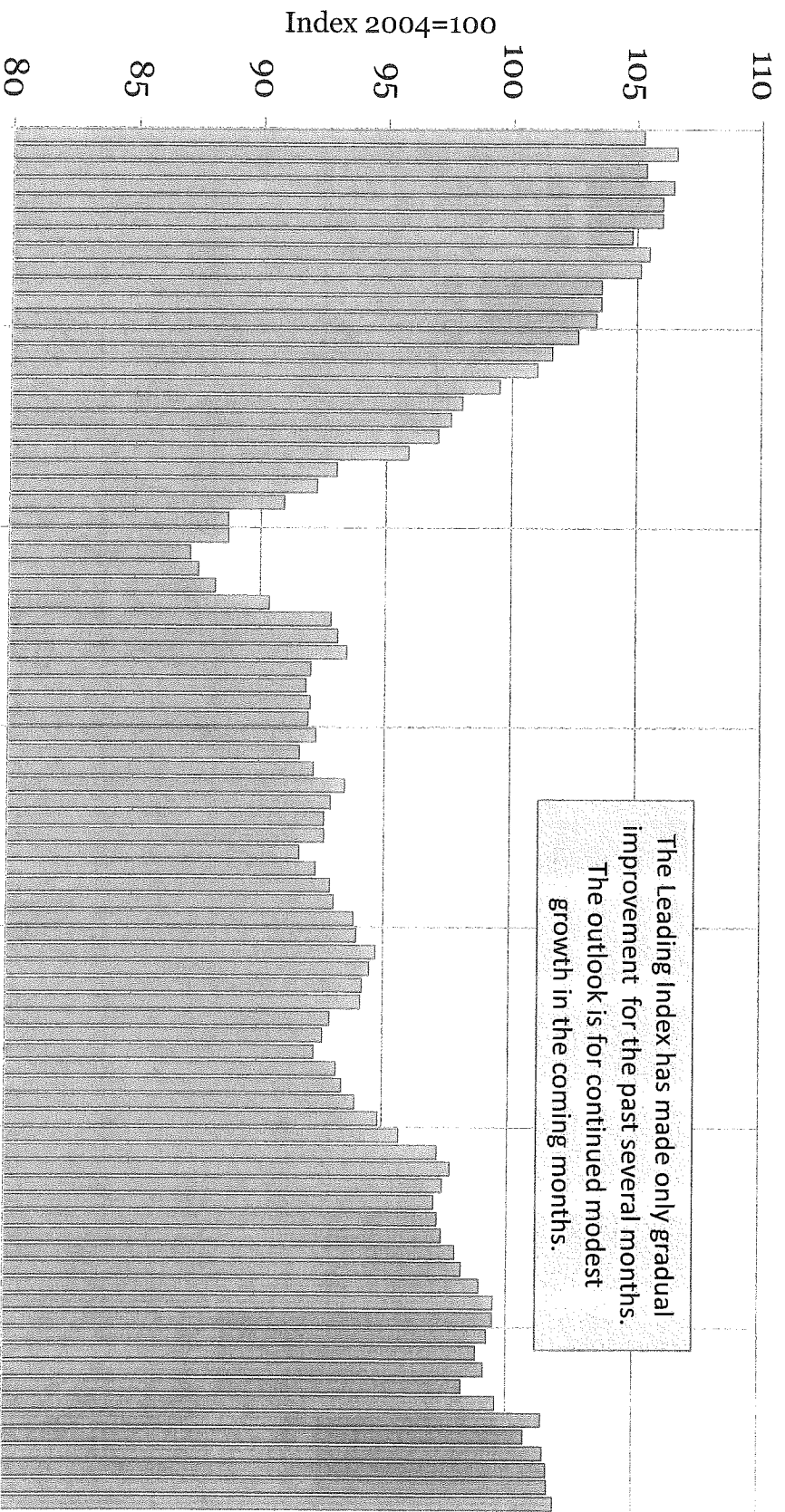
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Regional Comparison

November Coincident Index as Percentage of Pre-recession Peak



MS Index of Leading Indicators

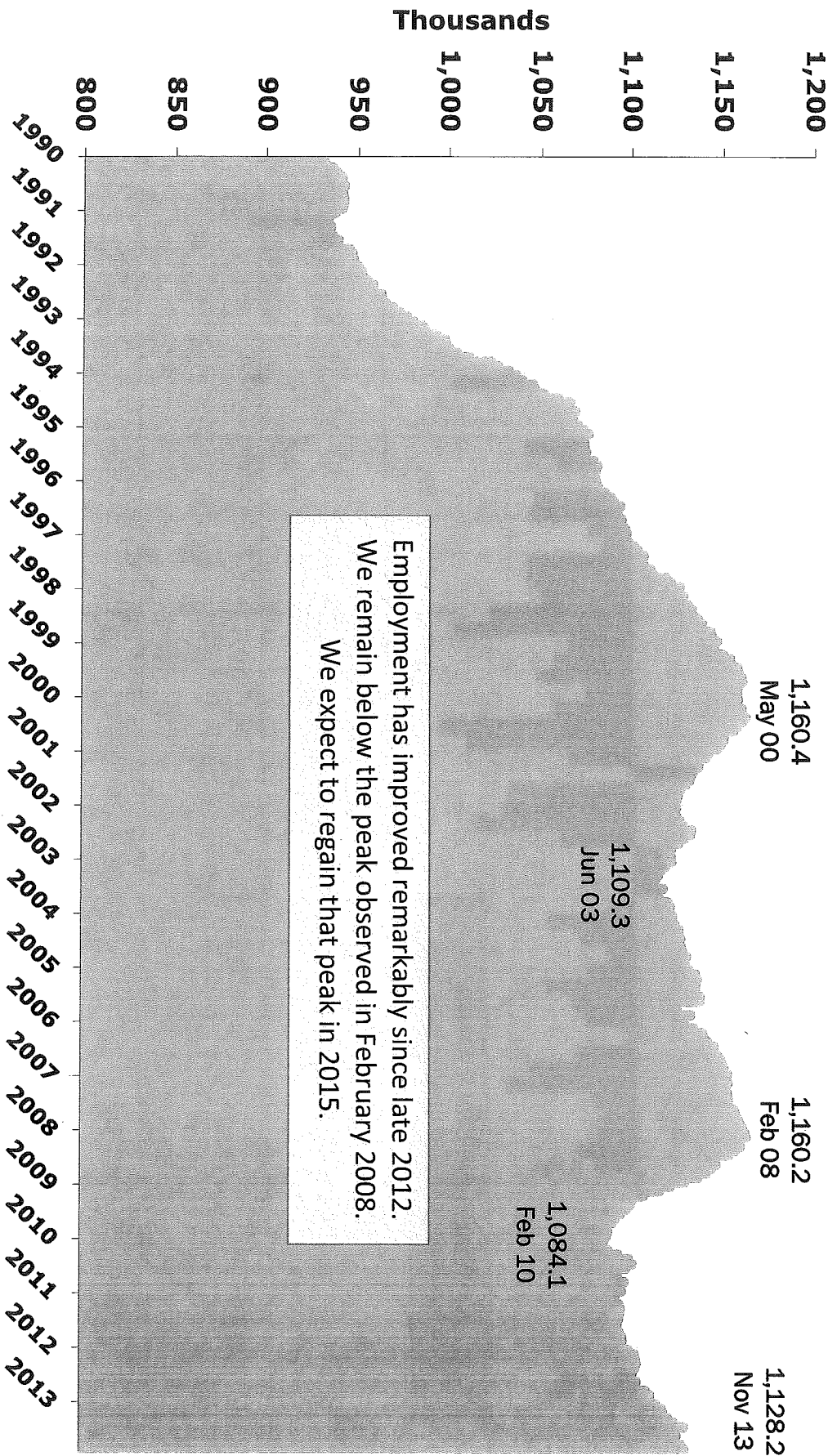


The Mississippi Index of Leading Indicators reflects economic conditions expected for the coming months. The index is constructed by the University Research Center and indexed to 2004. There are 8 components of the Index: MS Initial Unemployment Claims; MS Income Tax Withholdings; MS Value of Residential 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.

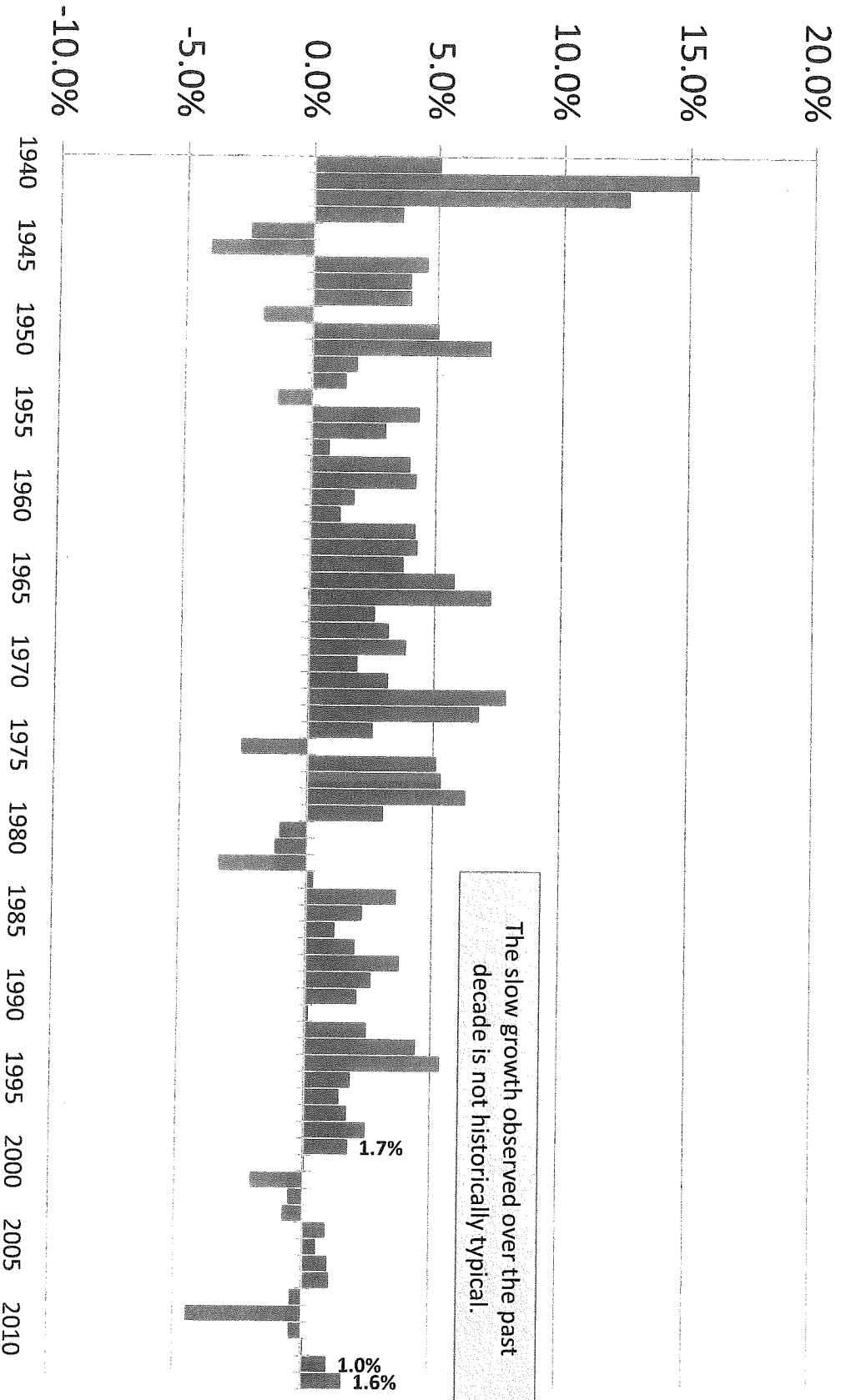
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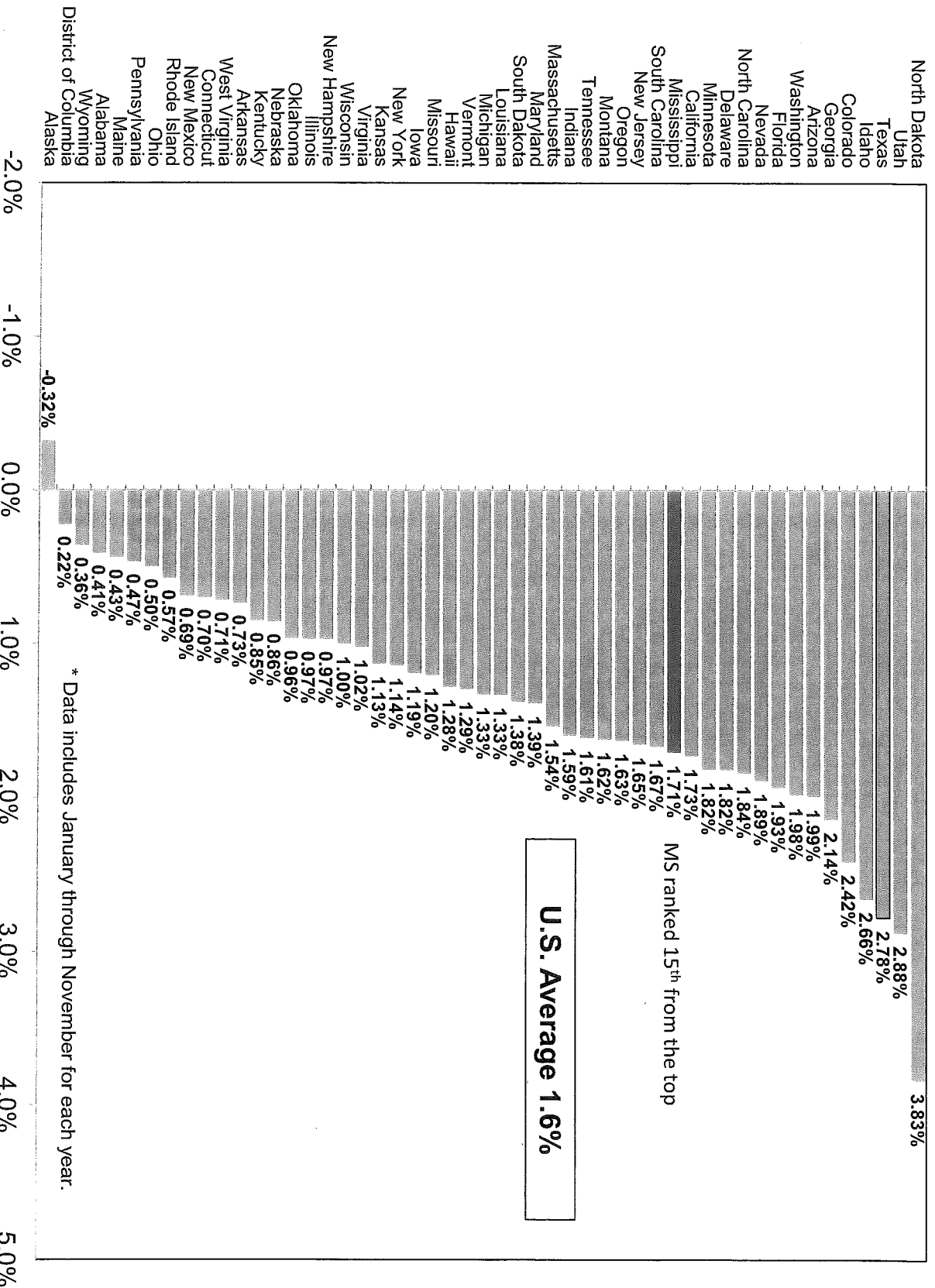
MS Nonfarm Employment



Annual MS Employment Growth, 1940-2013



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

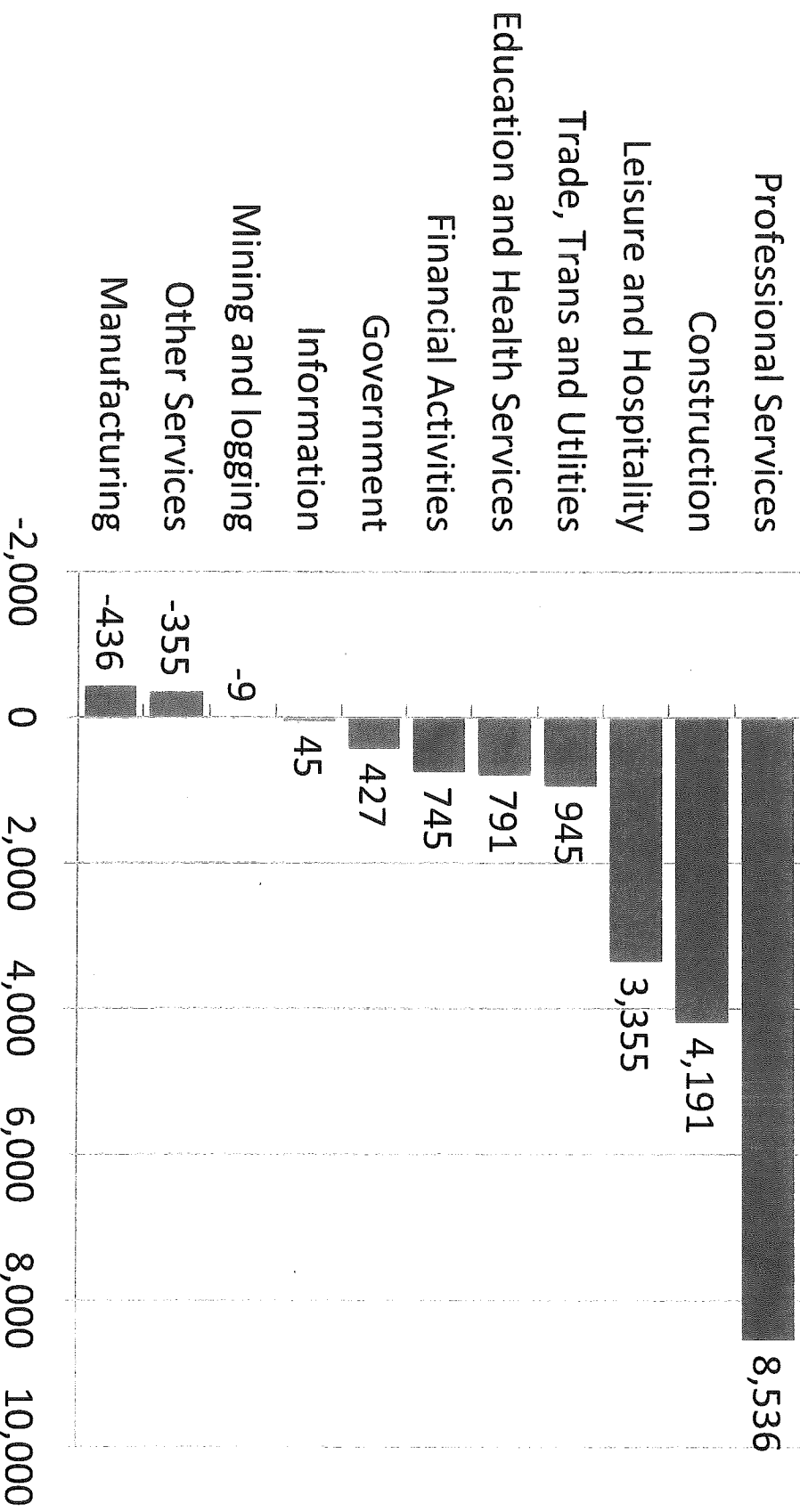


MS ranked 15th from the top
U.S. Average 1.6%

* Data includes January through November for each year.

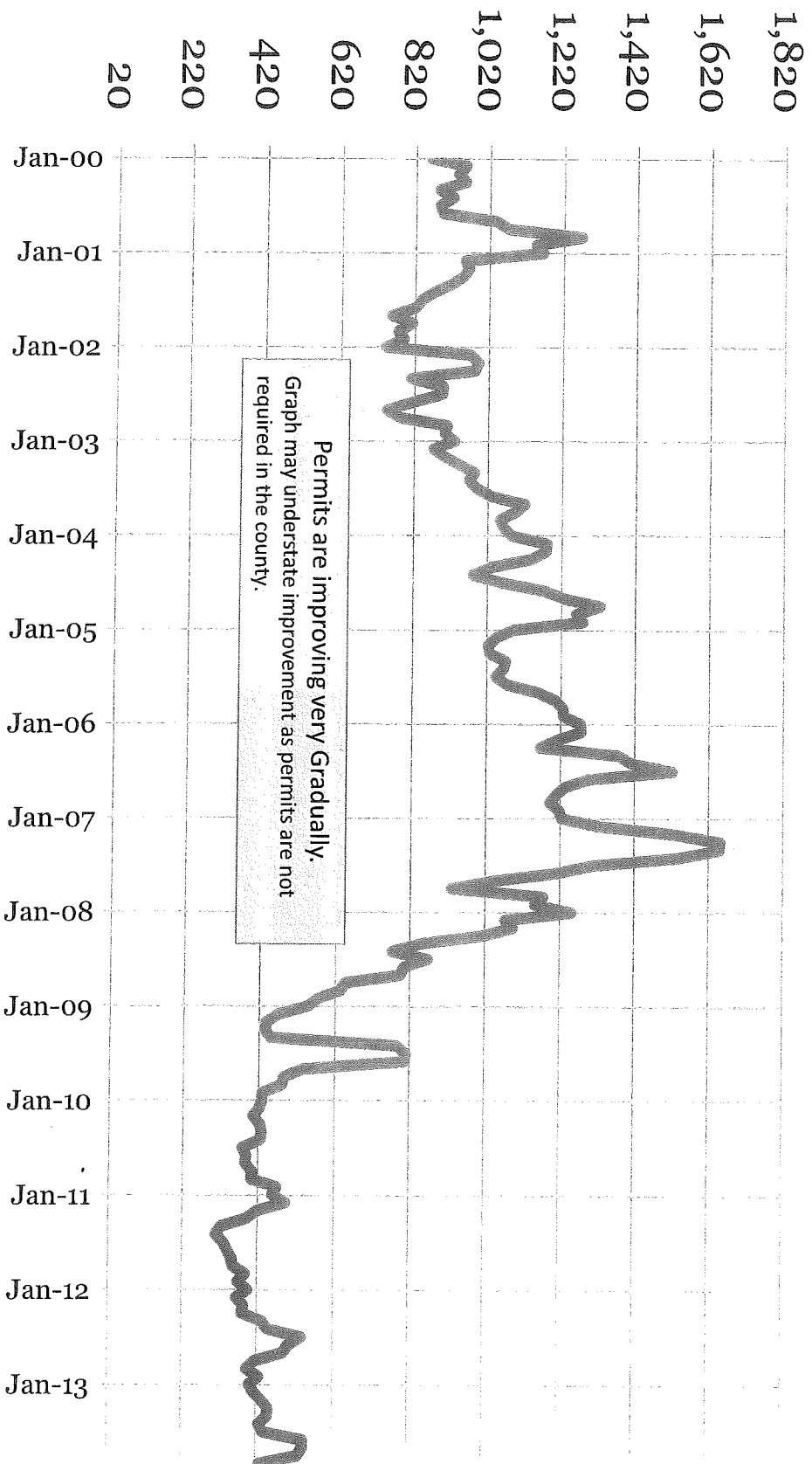
Where are the jobs?

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

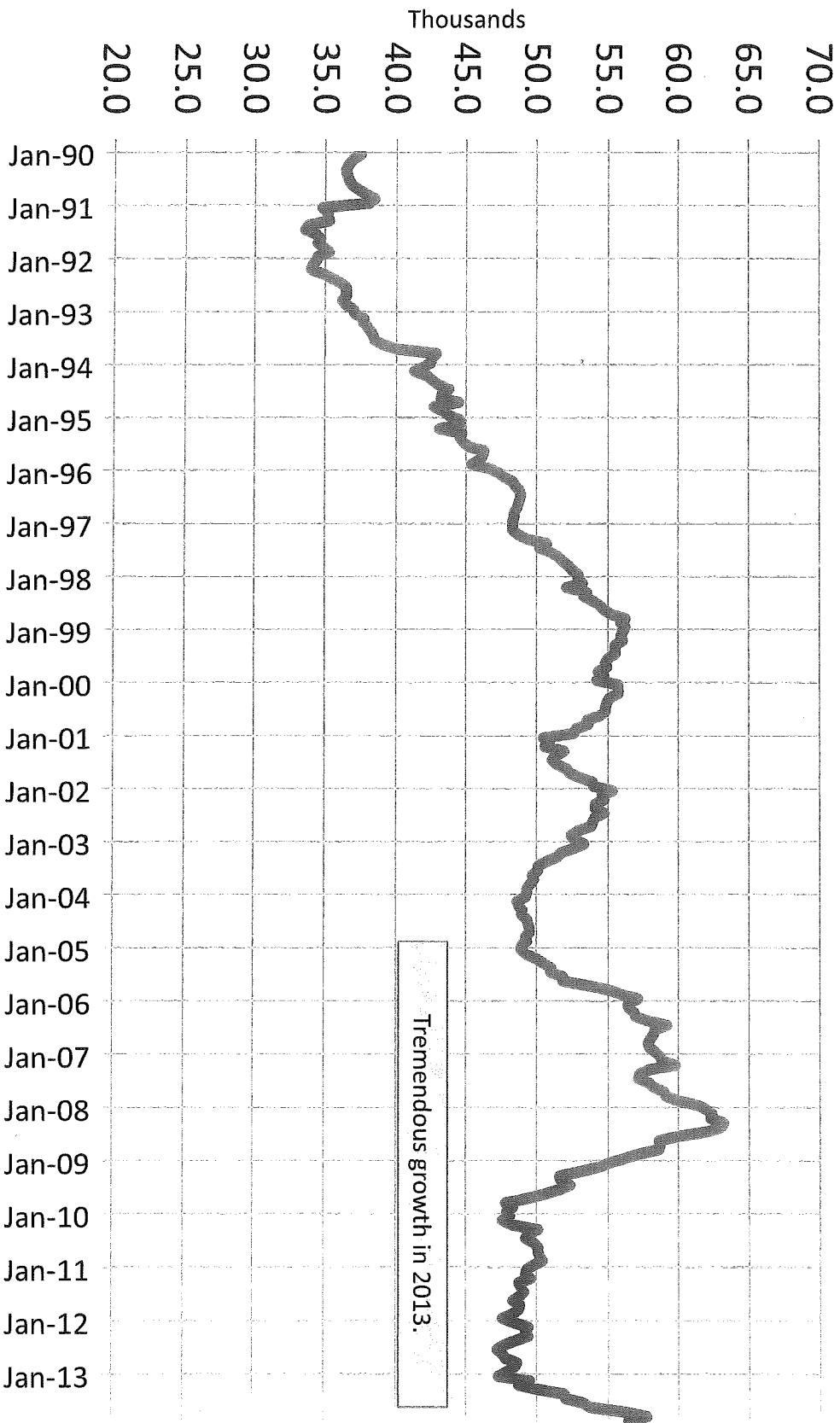


MS Residential Building Permits

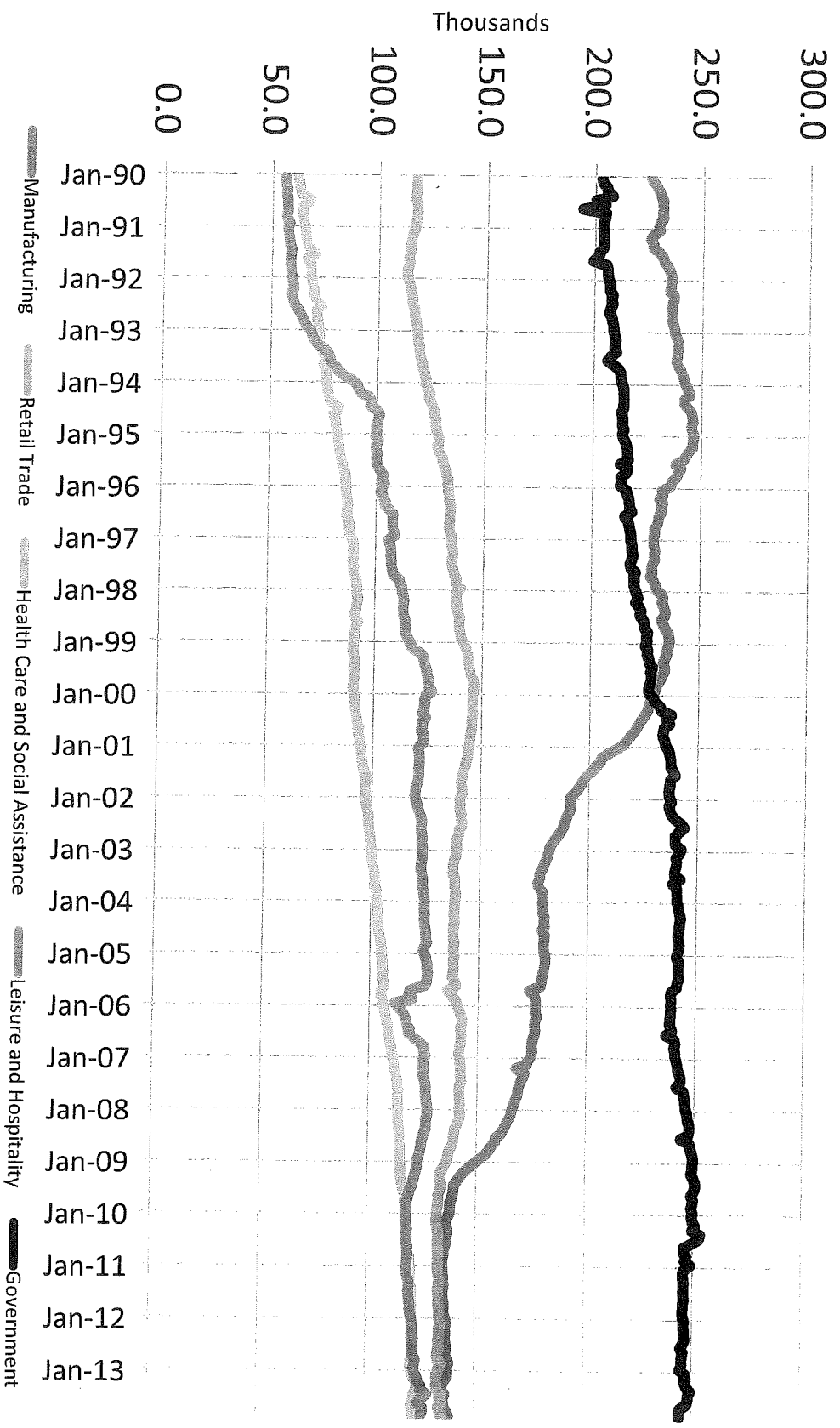
Three Month Moving Average Number of Units



MS Construction Employment

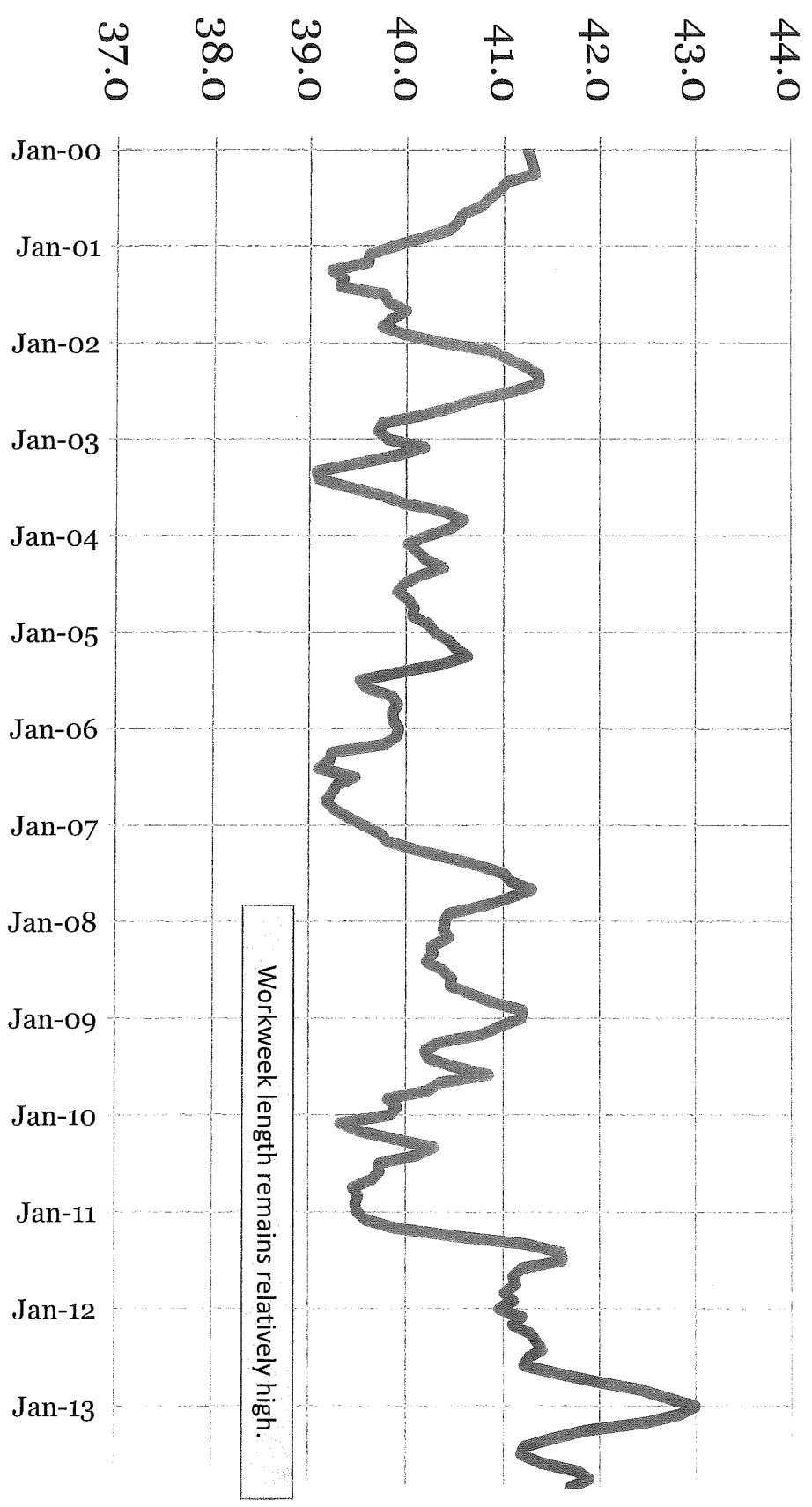


MS Employment For Select Industries



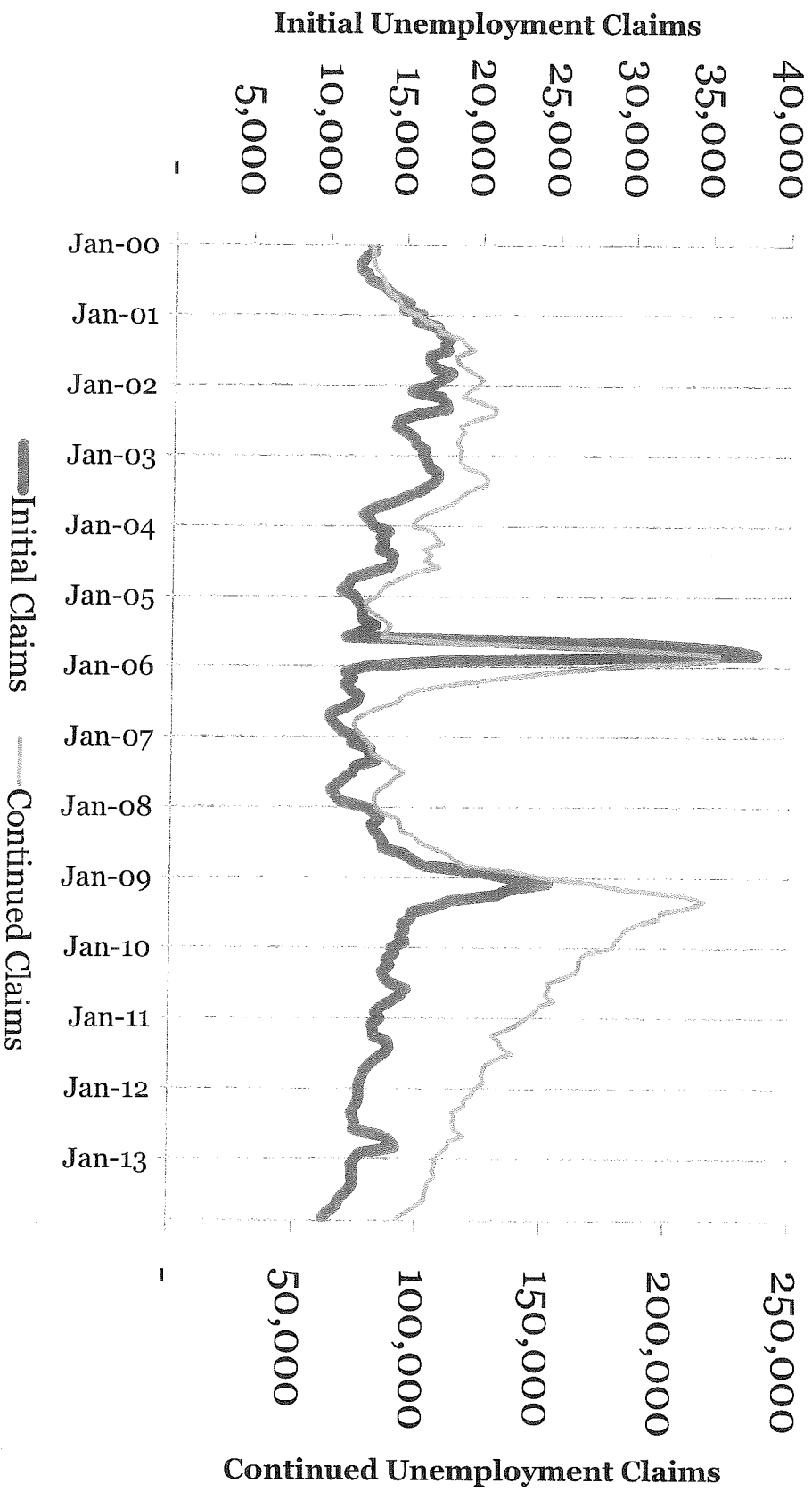
MS Manufacturing Workweek Length

Three Month Moving Average



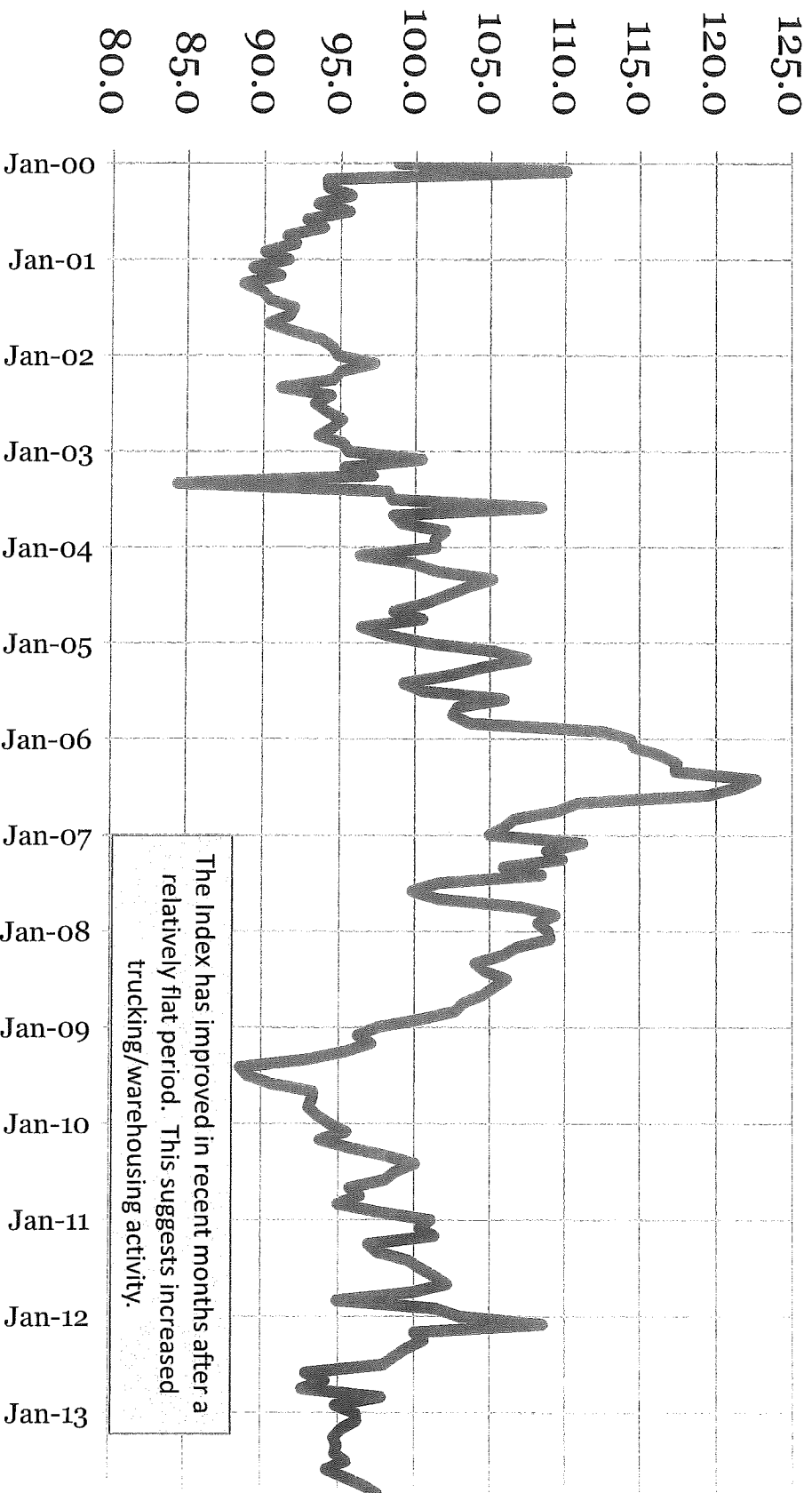
Unemployment Claims

Three Month Moving Average

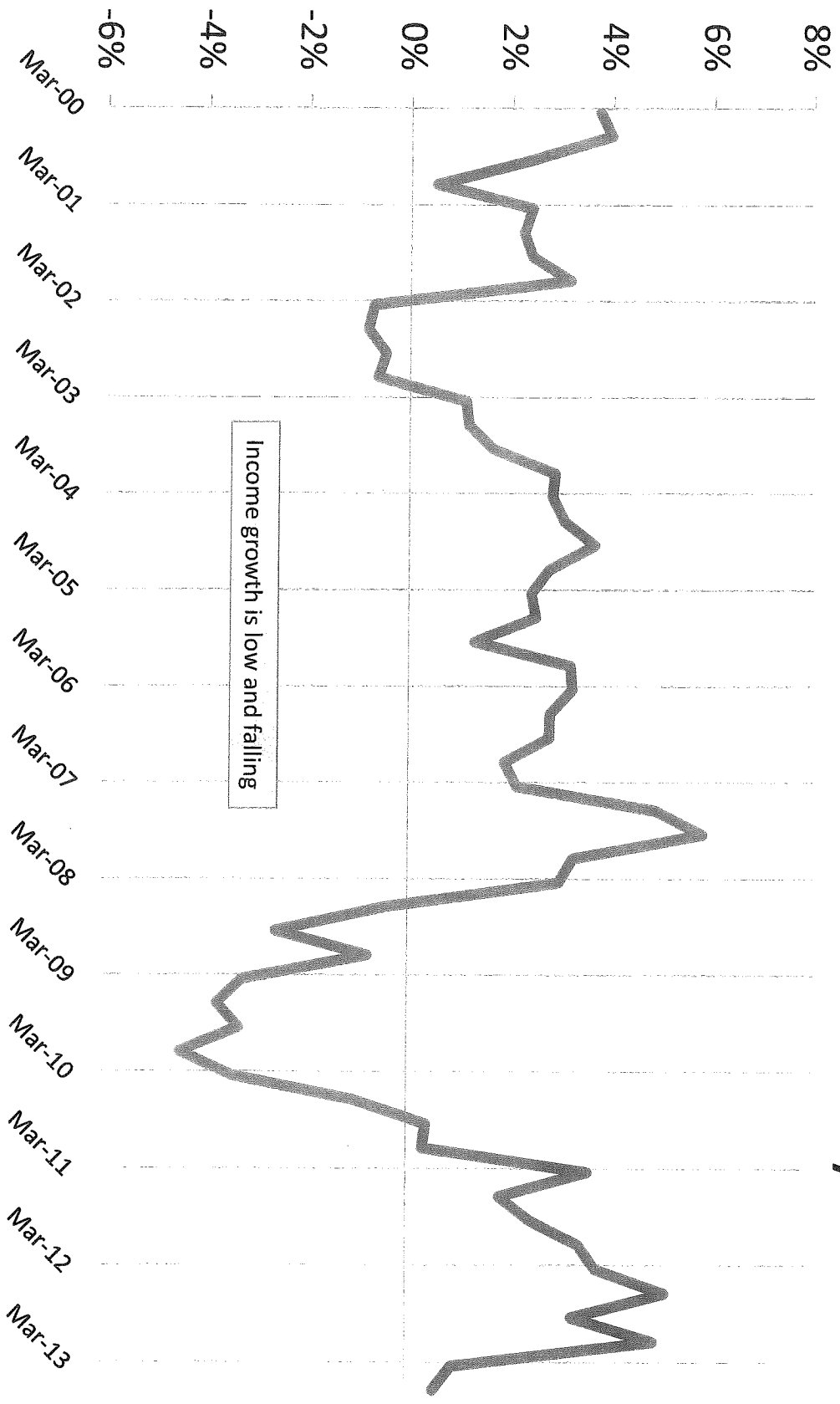


MS Diesel Fuel Consumption Index

Three Month Moving Average

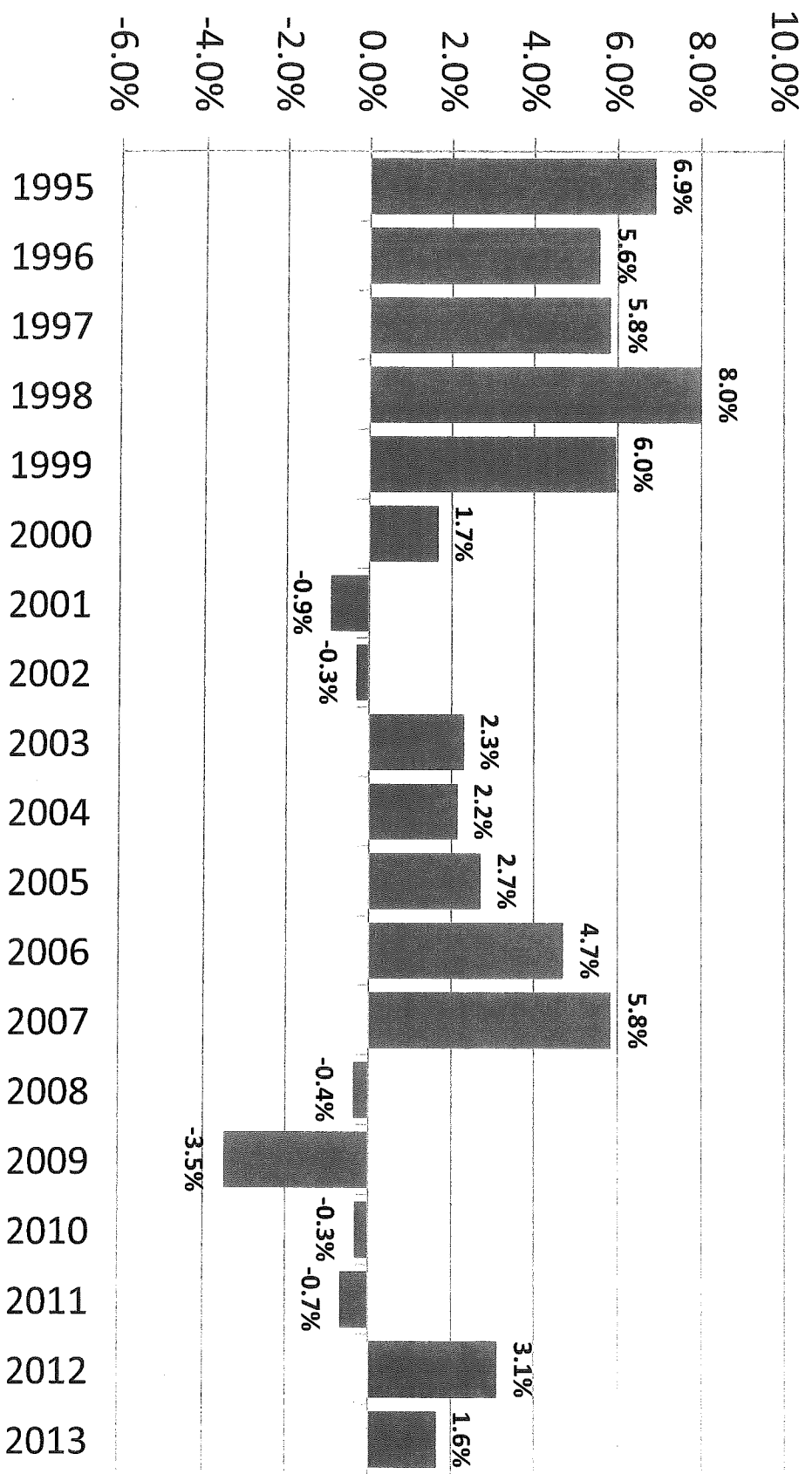


Year-Over-Year Growth in MS Real Personal Income Less Transfer Payments

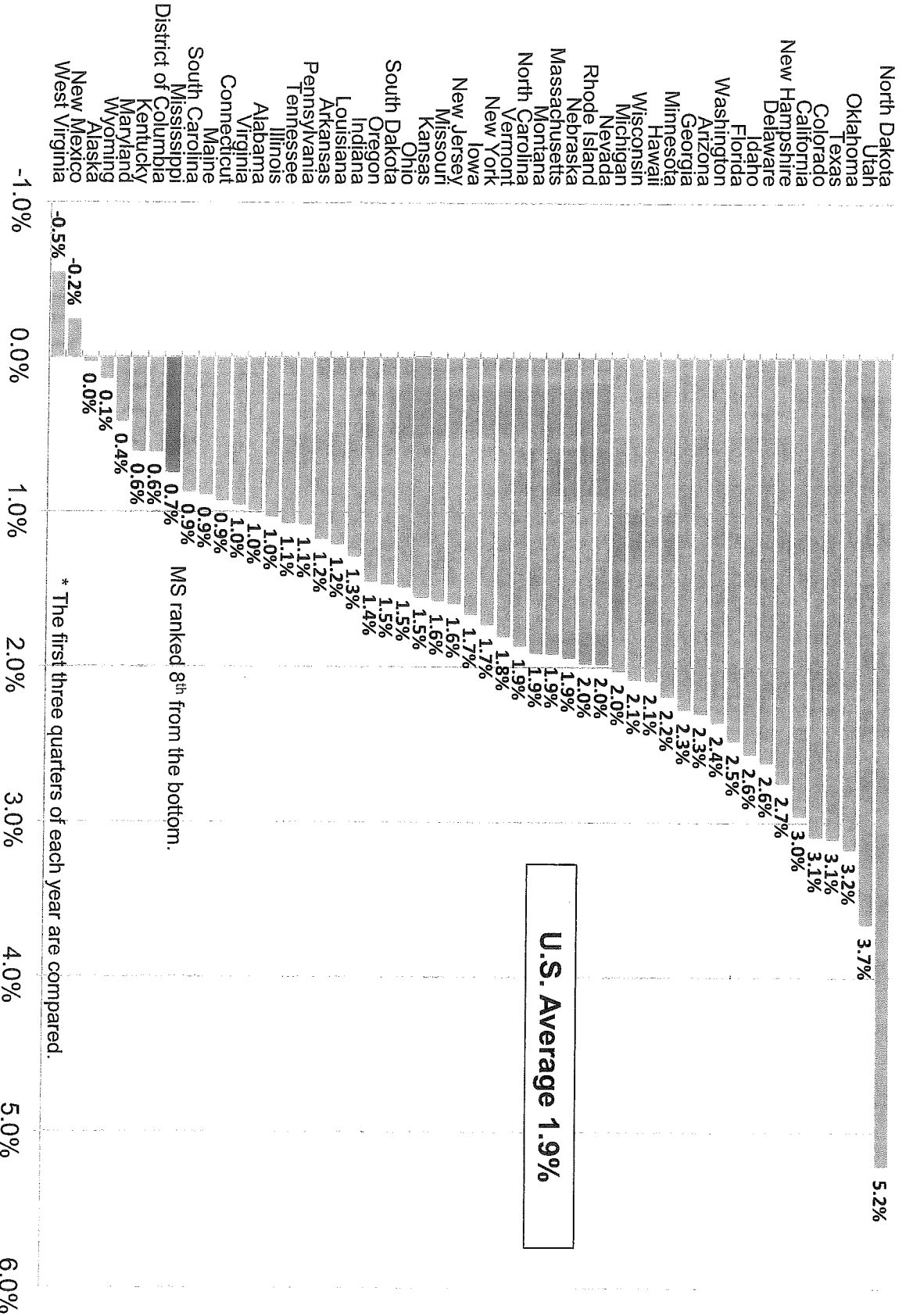


Mississippi Income Tax Withholdings

Growth Over Prior Year, Inflation Adjusted



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



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OUTLOOK

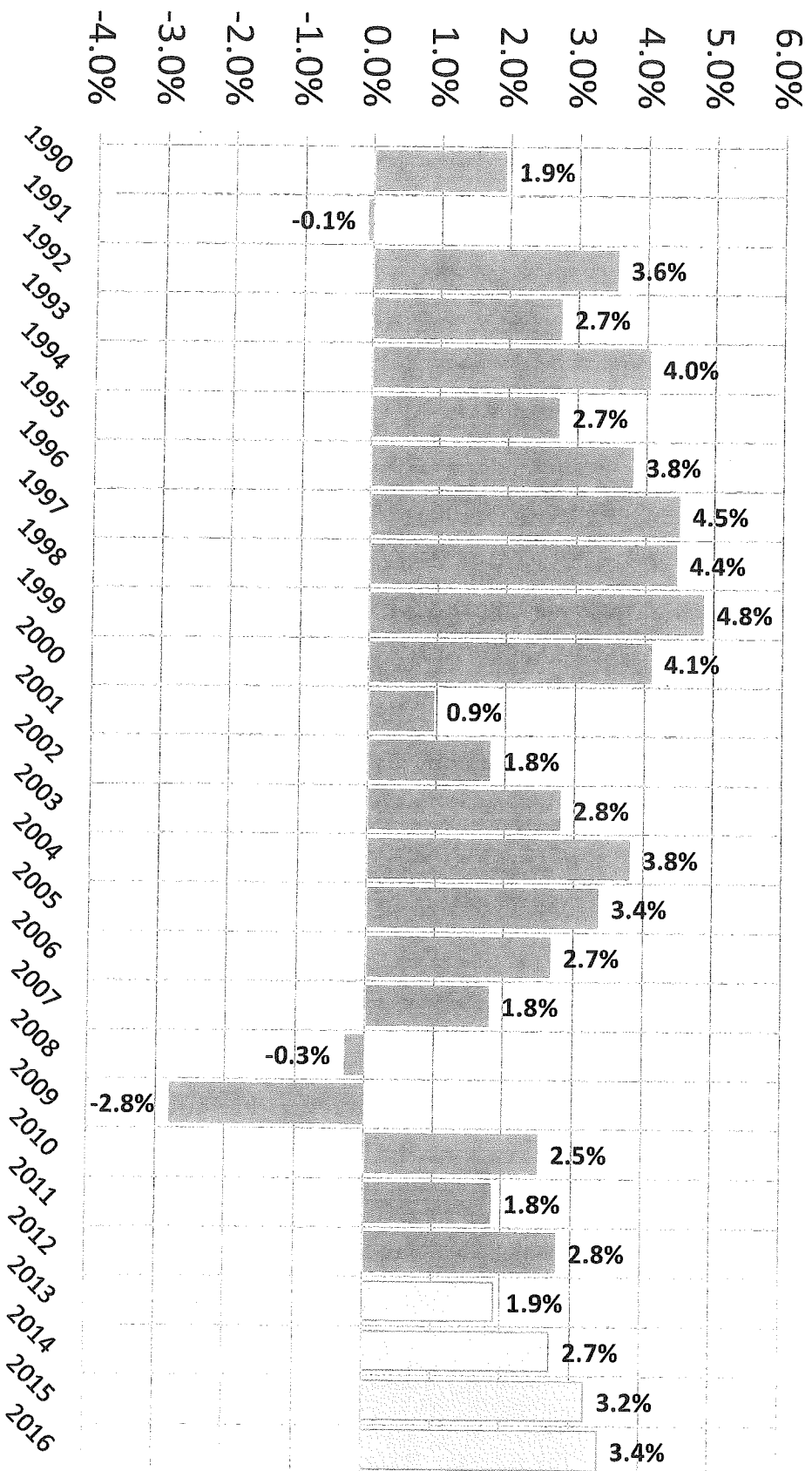
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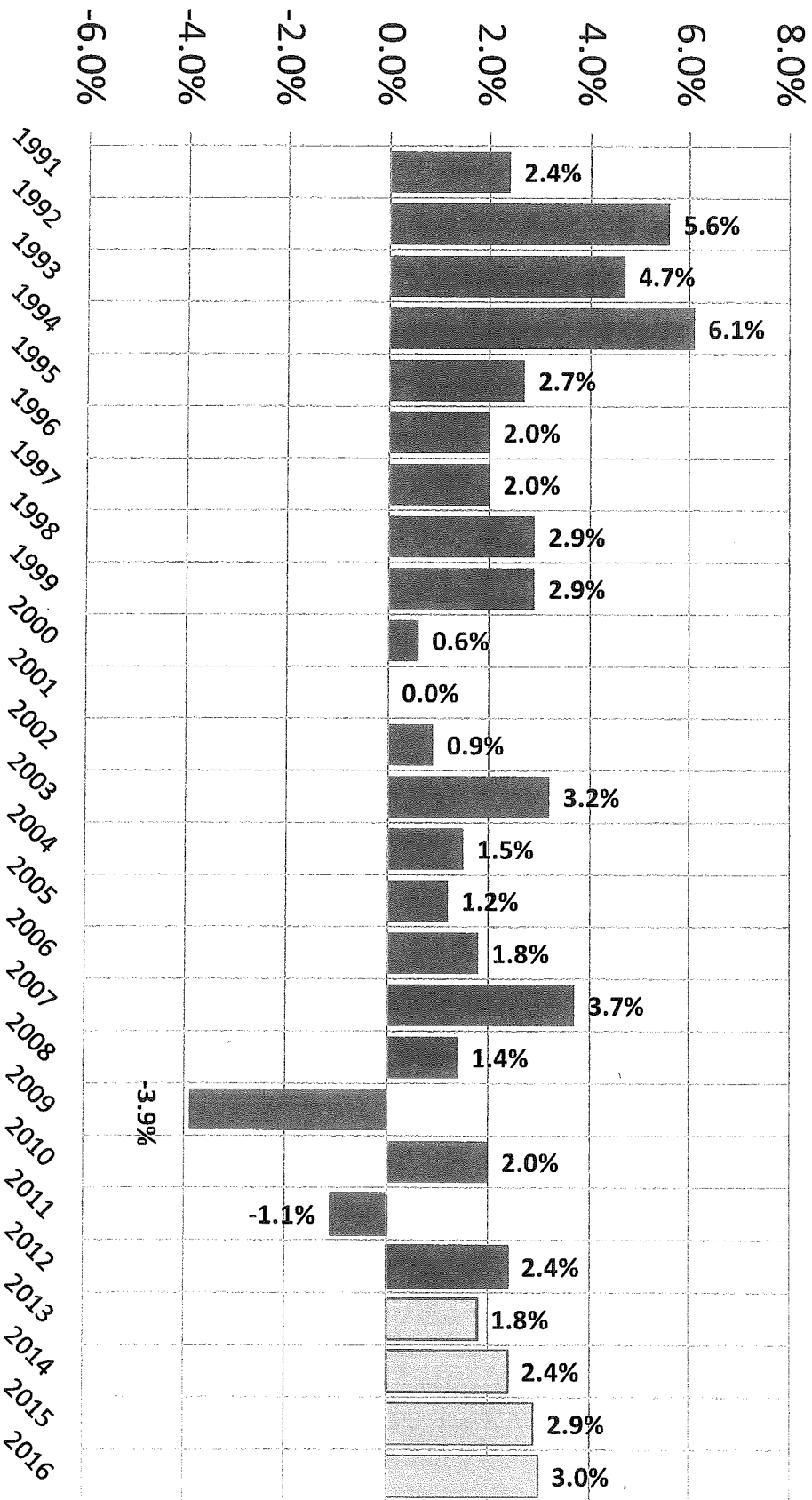
Growth In Real US GDP

Historical and IHS Global Insight Baseline Projections



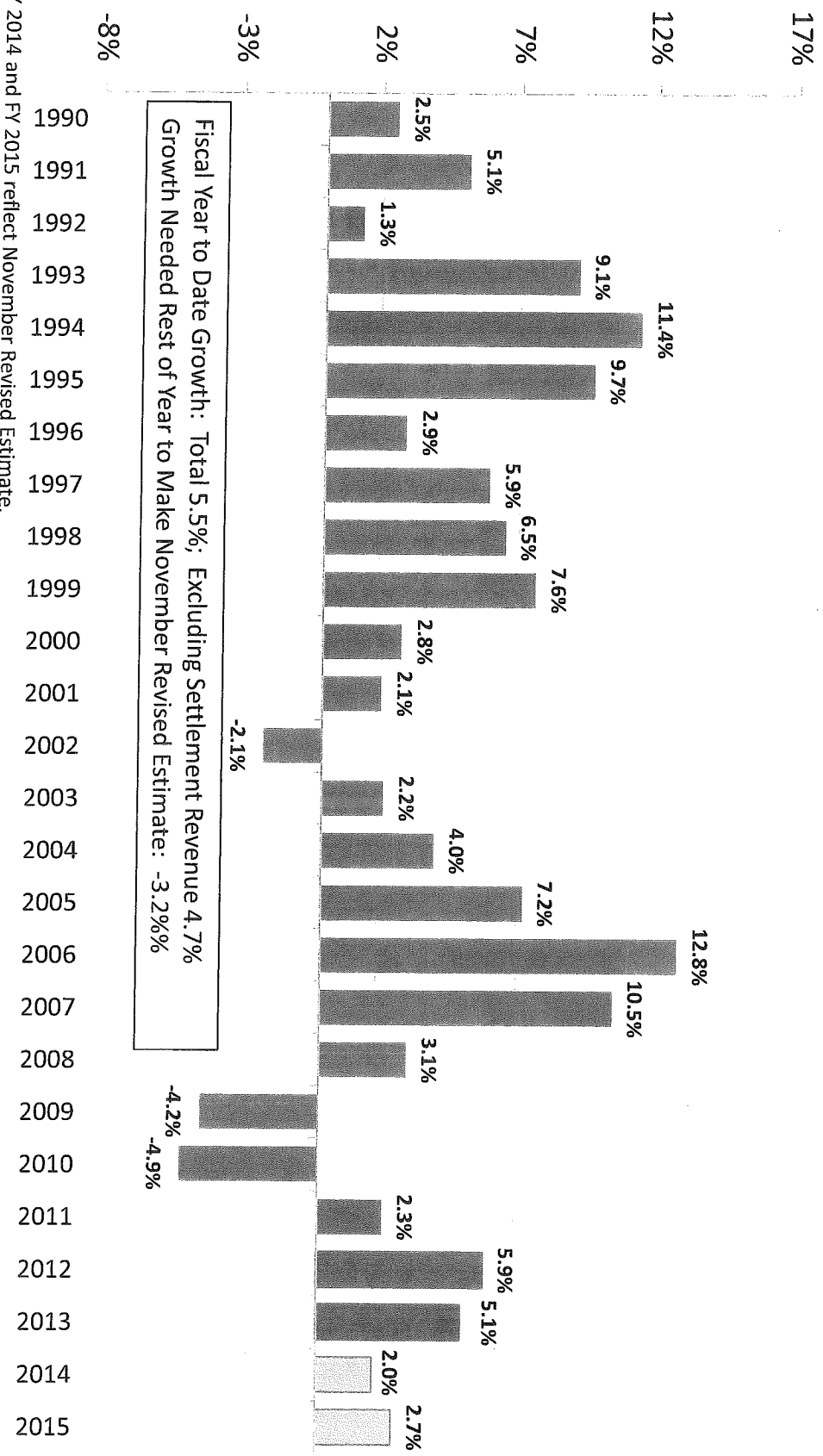
Growth In Real MS GDP

Historical and University Research Center Projections



MS General Fund

Growth Over Prior Year



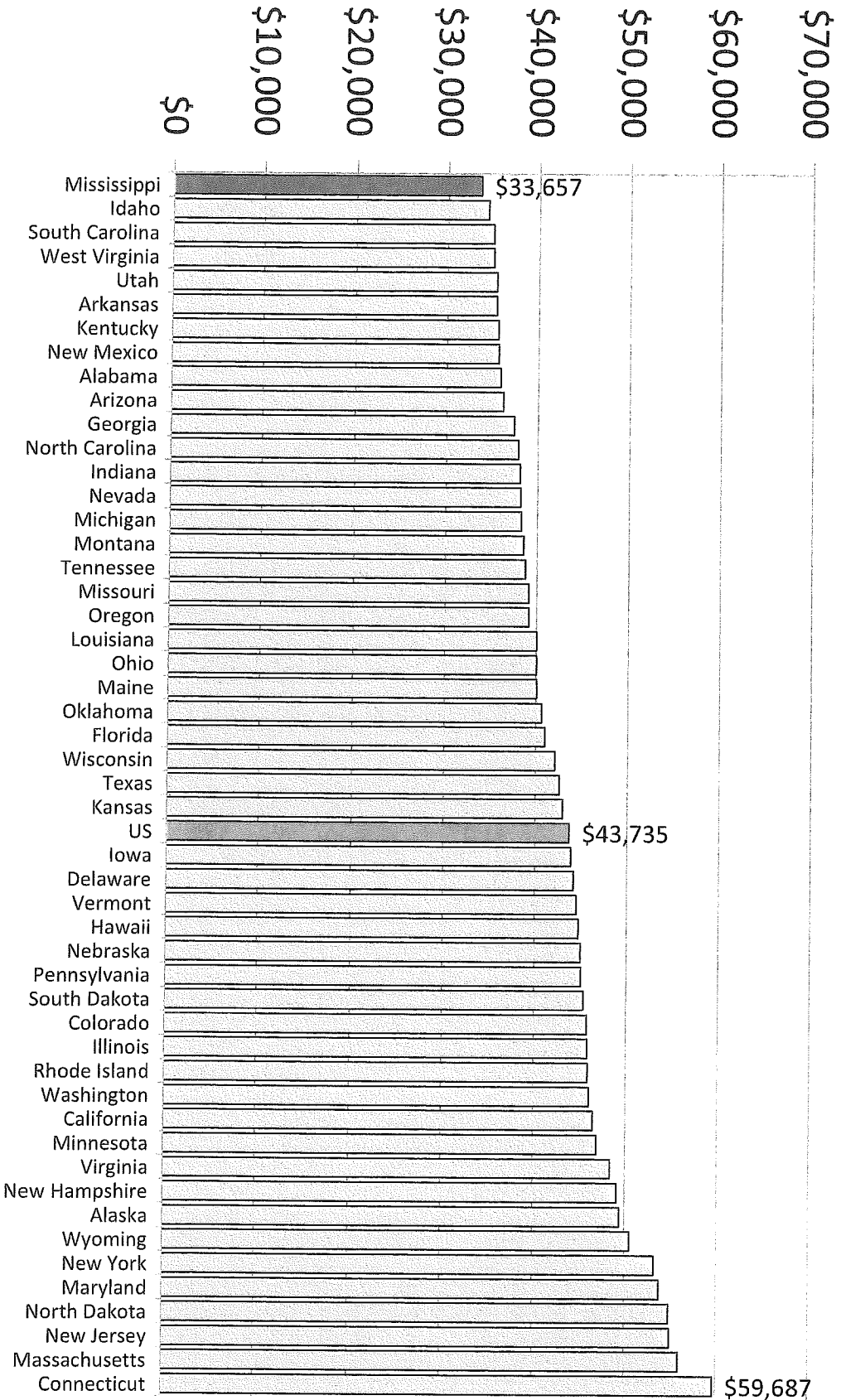
* FY 2014 and FY 2015 reflect November Revised Estimate.

Highlights

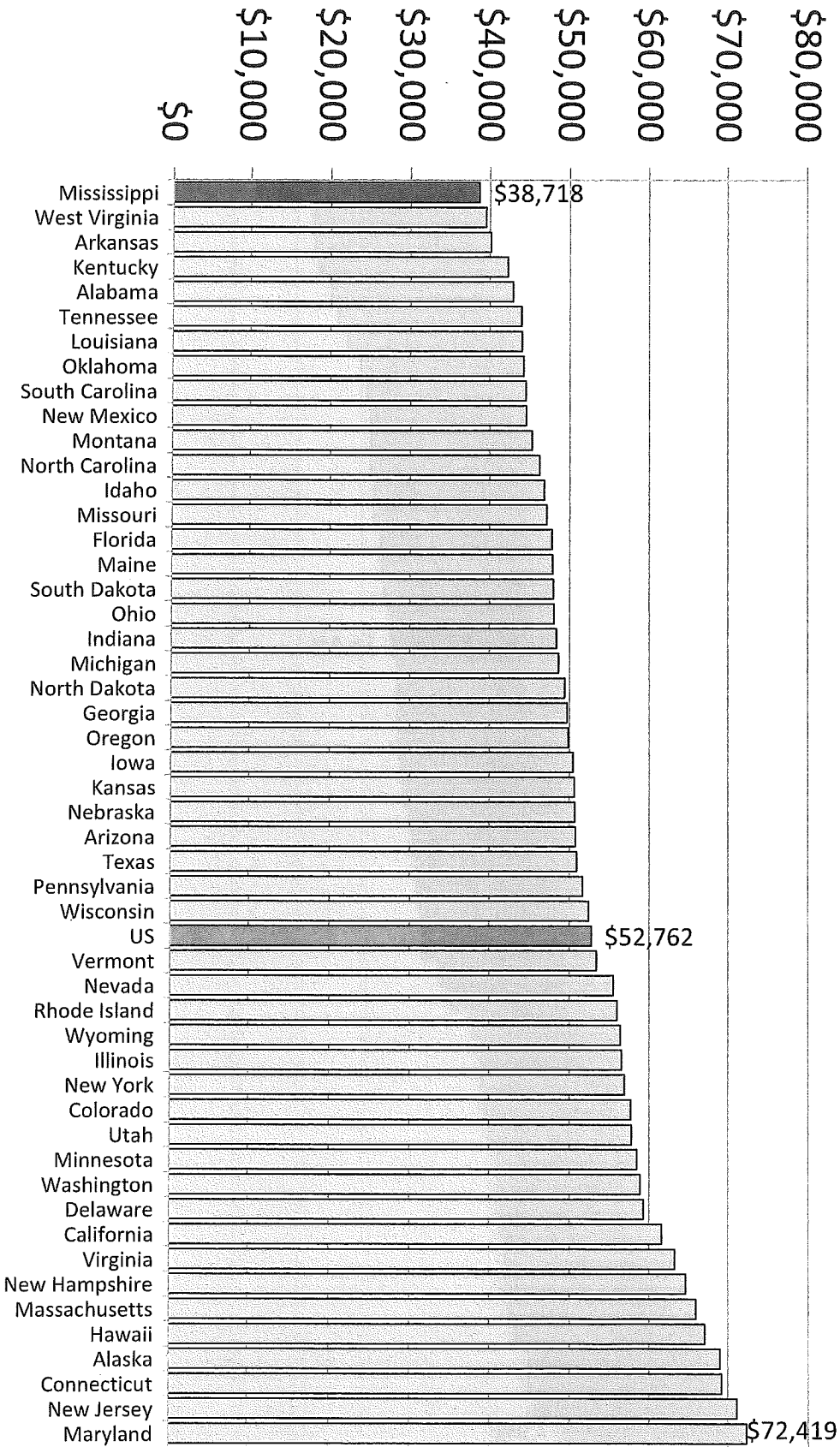
- The US economy is growing and making gradual improvement
 - Economic fundamentals appear to be sound going into 2014
 - Consumer spending, business investments, housing, relatively stable energy prices
 - While Growth in 2014 will be ahead of 2013, it will remain slow historically
 - We still face 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
- National and State economies expected to continue to gradually improve over next few years
- On track to reaching the revised estimate for FY 2014

APPENDIX

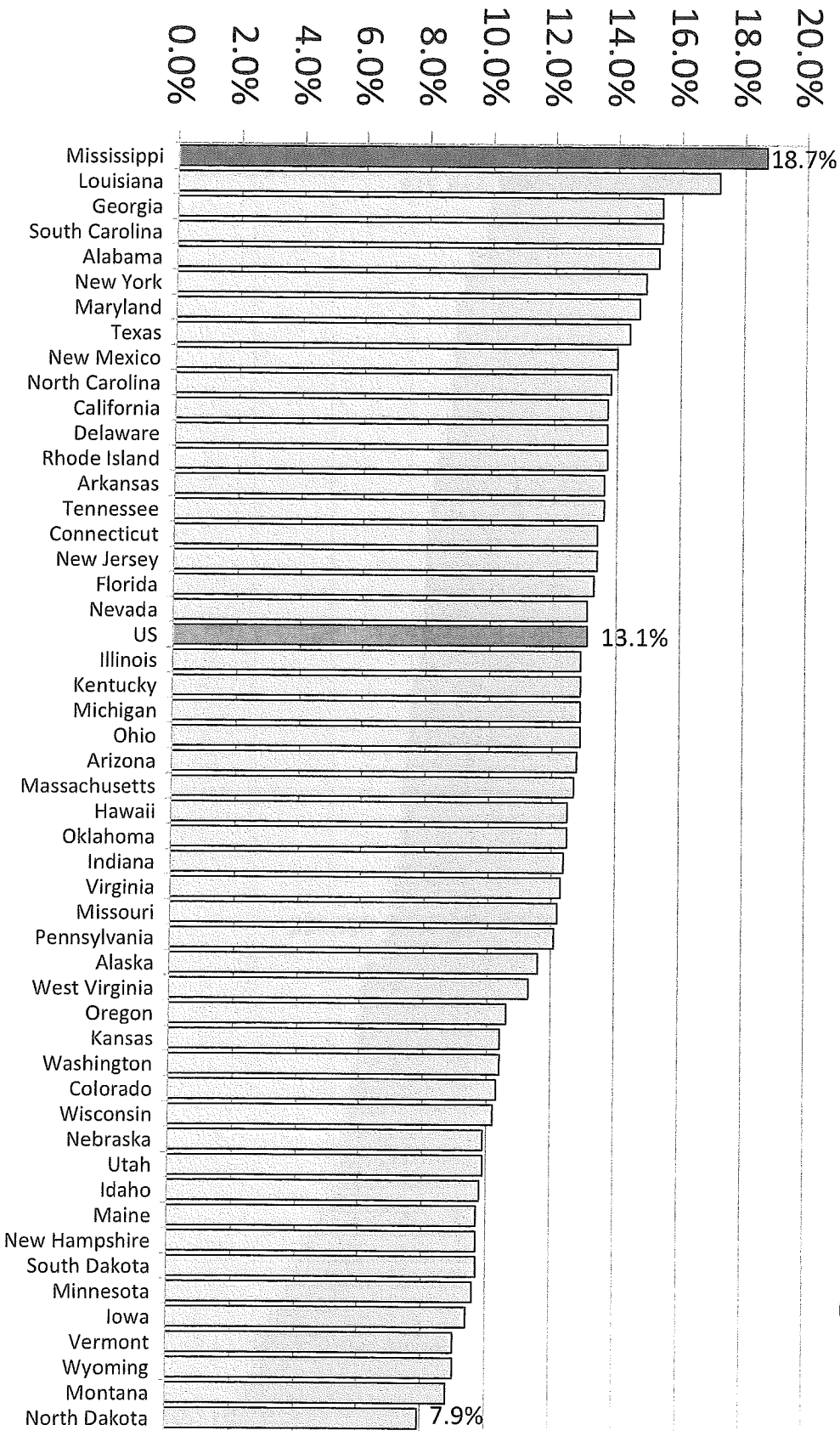
Per Capita Income, 2012



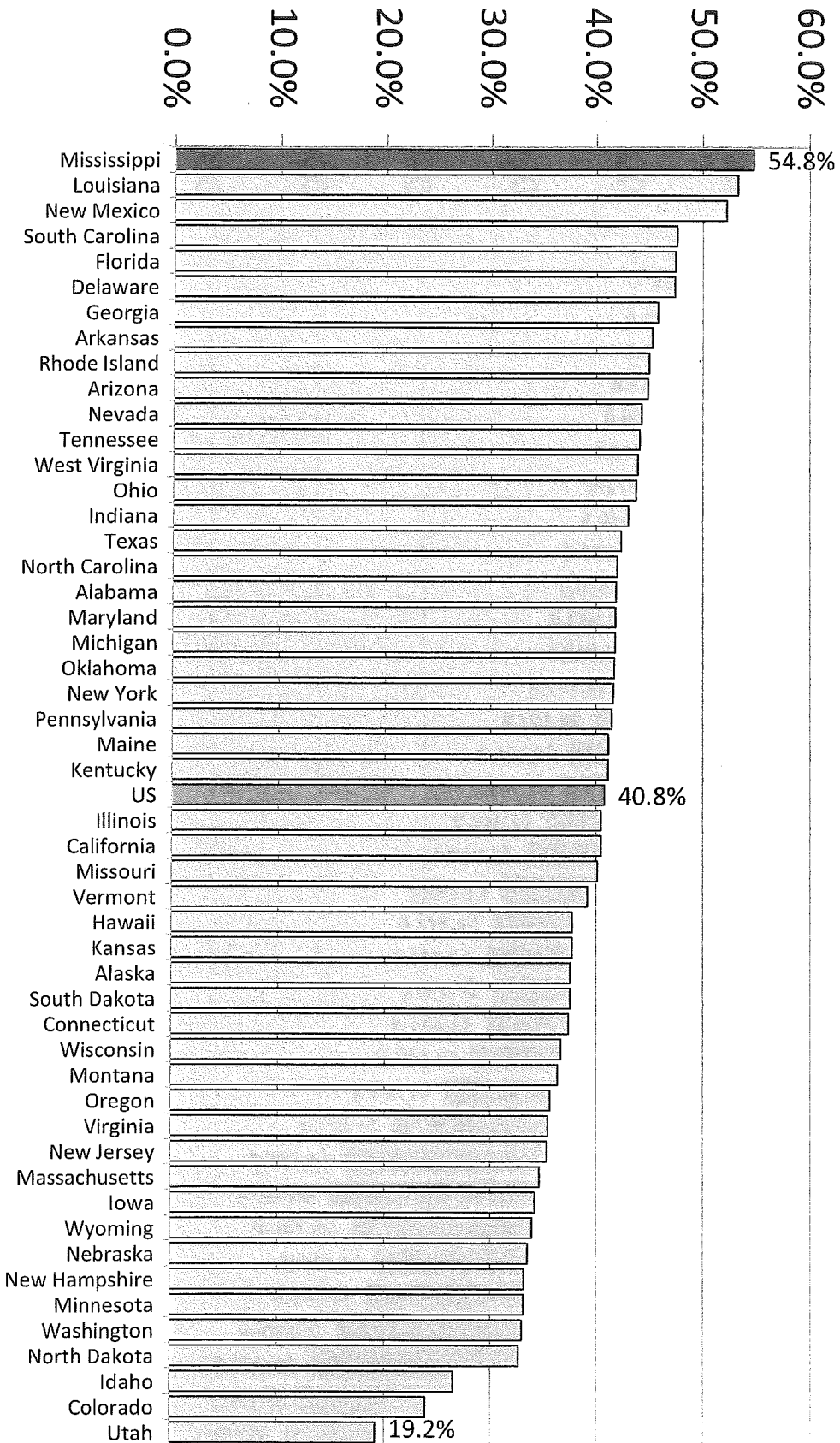
Median Household Income, 2007-2011



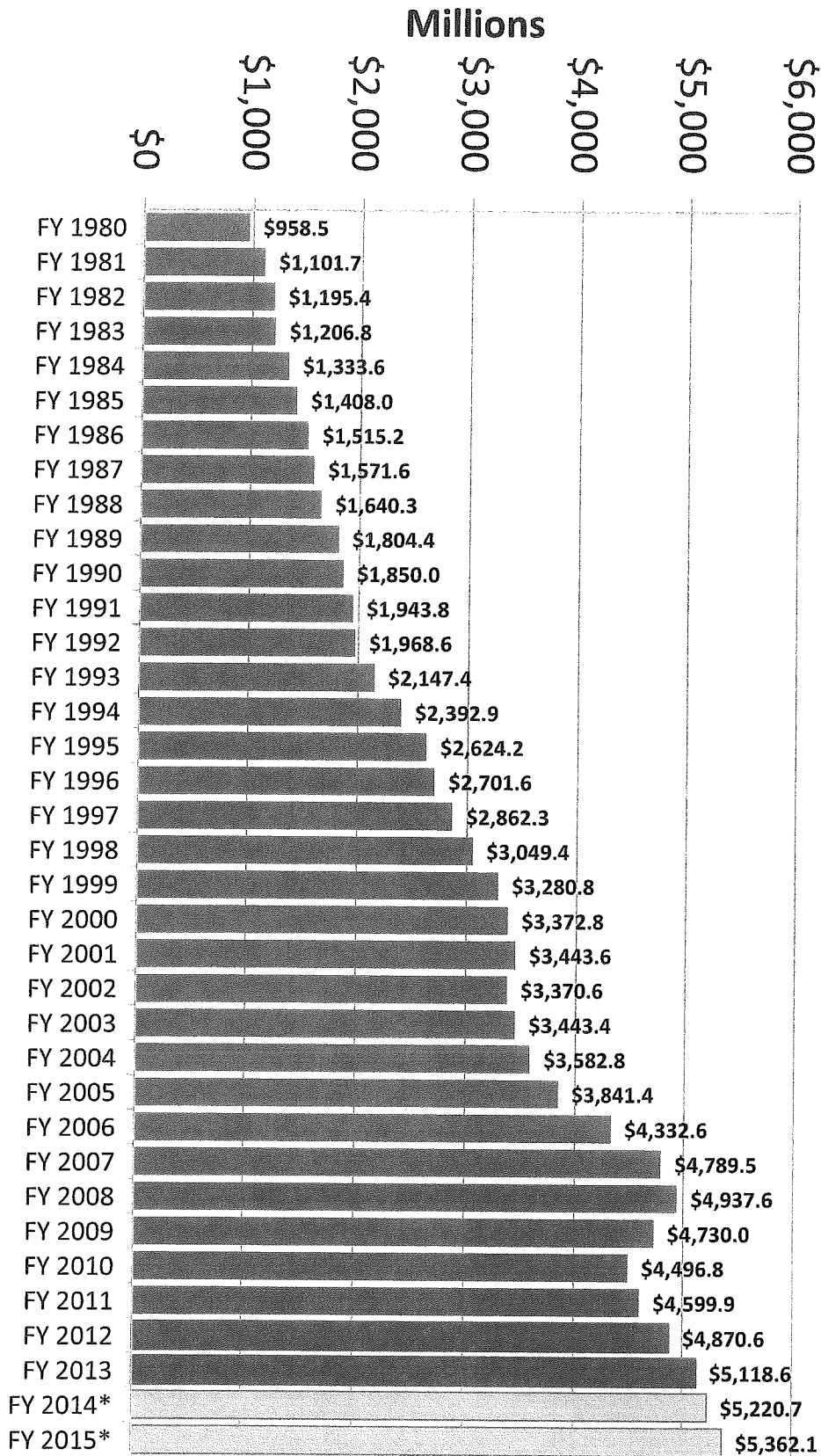
Percentage of Households Headed by Female, 2010-2012 Average



Percentage of Births Born to Unwed Mothers, 2010



Transfers To The General Fund



MS Employment By Sector

	Jan-Nov 2013	Jan-Nov 2012	Change		2013 Share of Total
			Number	%	
Total Nonfarm	1,121,200	1,102,400	18,800	1.7%	100.0%
Total Private	874,500	856,100	18,400	2.1%	78.0%
Goods Producing	198,200	194,500	3,700	1.9%	17.7%
Service-Providing	923,000	907,800	15,200	1.7%	82.3%
Private Service Providing	676,300	661,600	14,700	2.2%	60.3%
Mining & Logging	9,200	9,300	(100)	(1.1%)	0.8%
Construction	52,400	48,400	4,000	8.3%	4.7%
Manufacturing	136,600	136,900	(300)	(0.2%)	12.2%
Durable Goods	90,200	90,600	(400)	(0.4%)	8.0%
Wood Product Mfg.	8,600	9,100	(500)	(5.5%)	0.8%
Sawmill-Wood Preserve	3,800	4,000	(200)	(5.0%)	0.3%
Fabricated Metal Products	9,700	9,500	200	2.1%	0.9%
Machinery Manufacturing	12,500	11,700	800	6.8%	1.1%
Electrical Equipment, Appliance & Component Manufacturing	6,200	6,500	(300)	(4.6%)	0.6%
Electrical Equipment Manufacturing	4,400	4,500	(100)	(2.2%)	0.4%
Transportation Equipment	25,000	24,300	700	2.9%	2.2%
Motor Vehicle Parts	4,800	4,400	400	9.1%	0.4%
Ship and Boat Building	11,900	12,500	(600)	(4.8%)	1.1%
Furniture and Related	17,700	18,100	(400)	(2.2%)	1.6%
Non-Durable Goods	46,300	46,300	0	0.0%	4.1%
Food Manufacturing	21,900	22,300	(400)	(1.8%)	2.0%
Animal Slaughtering	16,700	16,600	100	0.6%	1.5%
Paper Manufacturing	3,800	3,900	(100)	(2.6%)	0.3%
Plastics and Rubber	5,800	5,700	100	1.8%	0.5%
Trade, Transportation, and Utilities	216,800	215,400	1,400	0.6%	19.3%
Wholesale Trade	34,600	34,400	200	0.6%	3.1%
Retail Trade	133,400	133,200	200	0.2%	11.9%
Food and Beverage Stores	17,600	17,900	(300)	(1.7%)	1.6%
Grocery Stores	15,900	16,200	(300)	(1.9%)	1.4%
General Merchandise Stores	35,900	36,500	(600)	(1.6%)	3.2%
Department Stores	7,600	7,700	(100)	(1.3%)	0.7%
Other General Merchandise	28,300	28,700	(400)	(1.4%)	2.5%
Trans, Warehouse, Utilities	48,800	47,800	1,000	2.1%	4.4%
Utilities	8,100	7,700	400	5.2%	0.7%
Transport & Warehouse	40,700	40,100	600	1.5%	3.6%
Warehousing and Storage	9,400	9,100	300	3.3%	0.8%
Information	12,500	12,500	0	0.0%	1.1%
Telecommunications	6,300	6,300	0	0.0%	0.6%
Financial Activities	44,900	44,200	700	1.6%	4.0%
Finance and Insurance	32,800	32,700	100	0.3%	2.9%
Credit Intermediation	21,600	20,900	700	3.3%	1.9%
Depository Credit	15,600	15,200	400	2.6%	1.4%
Insurance Carriers	10,500	10,400	100	1.0%	0.9%
Real Estate and Rental	12,100	11,500	600	5.2%	1.1%
Professional and Business Activities	105,200	96,400	8,800	9.1%	9.4%
Professional, Scientific and Technical Services	32,200	31,400	800	2.5%	2.9%
Management of Companies	10,100	10,200	(100)	(1.0%)	0.9%
Administrative and Support	62,900	54,800	8,100	14.8%	5.6%
Educational and Health Services	133,900	133,200	700	0.5%	11.9%
Educational Services	11,900	12,100	(200)	(1.7%)	1.1%
Health Care and Social Assistance	122,000	121,000	1,000	0.8%	10.9%
Hospitals	30,700	30,400	300	1.0%	2.7%
Nursing and Residential Care	24,200	23,600	600	2.5%	2.2%
Leisure and Hospitality	125,400	122,000	3,400	2.8%	11.2%
Arts, Entertainment, and Recreation	11,100	11,100	0	0.0%	1.0%
Amusement, Gambling	10,800	10,300	500	4.9%	1.0%
Accommodation and Food services	114,300	110,900	3,400	3.1%	10.2%
Accommodation	29,100	28,700	400	1.4%	2.6%
Food Services and Drive Ins	85,200	82,200	3,000	3.6%	7.6%
Other Services	37,600	38,000	(400)	(1.1%)	3.4%
Repair and Maintenance	9,400	9,200	200	2.2%	0.8%
Government	246,700	246,200	500	0.2%	22.0%
Federal Government	25,000	25,700	(700)	(2.7%)	2.2%
State Government	60,800	60,800	0	0.0%	5.4%
State Govt. Education	22,300	22,100	200	0.9%	2.0%
Local Government	160,800	159,700	1,100	0.7%	14.3%
Local Govt Education	86,100	84,700	1,400	1.7%	7.7%

