

# MISSISSIPPI ECONOMIC OUTLOOK

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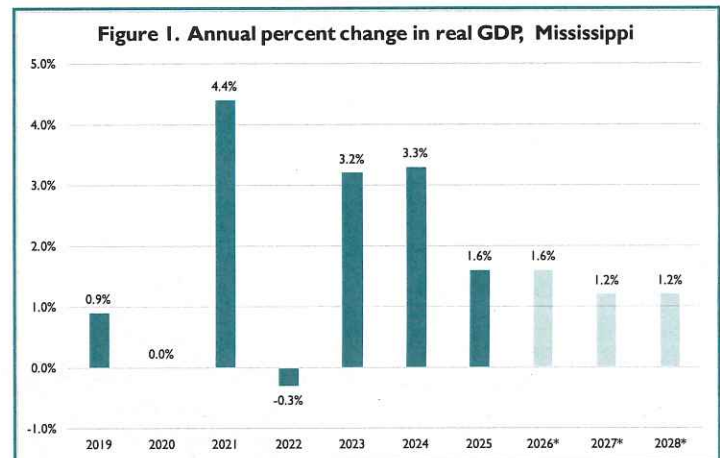
Corey Miller, State Economist  
cmiller@ihl.state.ms.us

## FORECASTS LITTLE CHANGED DESPITE MIDDLE EAST CONFLICT

In our latest forecast, URC projects real gross domestic product (GDP) for Mississippi will expand 1.6 percent in 2026 as seen in Figure 1. This estimate represents an increase of 0.1 percentage point from the forecast of the previous quarter. Improvements to the forecasts for specific sectors in the state, including Agriculture, Forestry, Fishing, and Hunting and Leisure and Hospitality, led to this slight upward revision. The Mississippi economy is forecast to expand 1.2 percent in 2027. This estimate represents an increase of 0.1 percentage point from the forecast of the previous quarter. Real GDP for Mississippi is projected to increase 1.2 percent in 2028, an estimate that is unchanged from the forecast of the previous quarter.

As seen in the fourth section of Table 1 on page 3, U.S. real GDP is projected to expand 2.1 percent in 2026 according to the latest forecast by the firm S&P Global Market Intelligence. This estimate represents a decrease of 0.1 percentage point from the forecast of the previous quarter. The U.S. economy is expected to expand 2.0 percent in 2027, an increase of 0.1 percentage point from the forecast of the previous quarter. The forecast for the change in U.S. real GDP in 2028 is an increase of 2.1 percent, which reflects an increase of 0.4 percentage point from the forecast of the previous quarter. These forecasts by S&P Global assume positive impacts from the new tax provisions of the One Big Beautiful Bill Act that go into effect in 2026. Furthermore, the forecasts assume the conflict in the Middle East ends relatively soon; if the conflict continues into the third quarter of 2026, then the forecasts in Table 1 on page 3 will likely deteriorate.

URC's latest forecast projects personal income in Mississippi will grow 3.4 percent in 2026 as seen in the third section of Table 1 on page 3. This rate is down 0.1 percentage point from the forecast of the previous quarter. Personal income in the state is projected to grow 4.4 percent in 2027, an increase of 0.2 percentage point from



Sources: U.S. Bureau of Economic Analysis, University Research Center (forecasts)

the forecast of the previous quarter. This forecast assumes an improvement in farm proprietors' income in 2027 compared to 2026. URC estimates personal income in Mississippi will grow 4.3 percent in 2028, an estimate that is unchanged from the forecast of the previous quarter.

The latest forecast by URC projects payroll employment in Mississippi will increase 0.2 percent in 2026 as seen in Figure 2 on page 2. This rate is down 0.1 percentage point from the forecast of the previous quarter. In the forecast for 2027, employment in the state does not change, an estimate that is 0.1 percentage point lower than in the forecast of the previous quarter. URC projects total employment in Mississippi will decrease 0.1 percent in 2028, an estimate that is up 0.1 percentage point from the forecast of the previous quarter.

Additionally, inflation is forecast to increase 3.4 percent in 2026, an increase of 0.9 percentage point from the previous quarter's forecast. The upward revision to this estimate primarily reflects higher oil prices caused by the conflict in the Middle East that began earlier this year.

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## SHORT-TERM FORECASTS

As seen in the first section of Table 1, URC projects that most sectors of the Mississippi economy will expand in 2026. The Mining, Quarrying, and Oil and Gas Extraction sector is expected to expand 6.2 percent, the largest increase among all sectors. However, this sector is relatively small in terms of real GDP. The next largest increase in real GDP is forecast for the Information sector, which URC projects will expand 4.5 percent. The Agriculture, Forestry, Fishing, and Hunting sector is forecast to contract 2.5 percent in 2026, the largest decrease among all sectors. The only other sectors URC expects to contract in 2026 are Government and Construction.

Real GDP for Mississippi is expected to expand in nearly all sectors in 2027. Output in the Information sector is expected to expand 3.9 percent, the largest increase among all sectors. Real GDP for the Healthcare and Social Assistance sector is forecast to grow 2.9 percent, the second-largest increase among all sectors. In 2027 the largest decrease in output is forecast for the Leisure and Hospitality sector, which is expected to contract 1.1 percent. The only other sector projected to decrease in output in 2027 is Government, which is forecast to contract 0.3 percent.

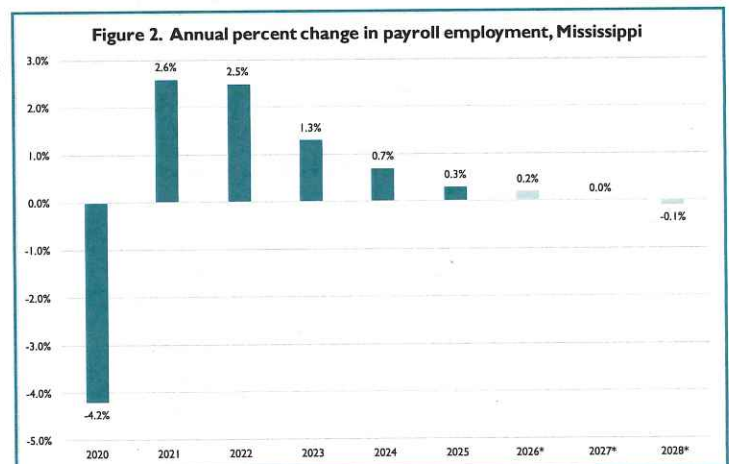
More sectors in the state are forecast to contract in output in 2028. Real GDP for the Information sector is forecast to expand 4.0 percent, once again the largest percentage increase among all sectors. The Finance, Insurance, Real Estate, Rental, and Leasing sector is forecast to expand in output by 2.8 percent, the next largest increase. Real GDP in the Leisure and Hospitality sector is expected to contract 1.4 percent in 2028, the largest decrease among all sectors. The other sectors forecast to contract in output in 2028 are Government, Mining, Quarrying, and Oil and Gas Extraction, and Agriculture, Forestry, Fishing, and Hunting. Notably, Government is the only sector in the state forecast to contract in output each year from 2026 to 2028. Real GDP for the sector also contracted in 2025.

The latest URC forecasts of payroll employment in Mississippi by sector for 2026 through 2028 are listed in the second section of Table 1. Employment in the Leisure and Hospitality sector is forecast to grow 1.6 percent in 2026, the largest percentage increase among all sectors. URC projects employment in the Health Care and Social Assistance sector will grow 1.4 percent, the next largest increase. Employment in the Information sector is expected to fall 2.1 percent in 2026, the largest decrease among all sectors. URC forecasts employment in the Transportation and Utilities sector will fall 1.6 percent, the next largest decrease.

In 2027, employment in the Mining and Logging sector is expected to grow 4.1 percent, the largest increase among all sectors in the state. This sector is relatively small in terms of employment, however. Health Care and Social Assistance employment is forecast to grow 1.1 percent, the next largest increase among all sectors. The largest decrease in employment among all sectors in 2027 is forecast for the Private Educational Services sector, which is projected to decline by 2.0 percent. Employment in the Manufacturing sector is projected to fall 1.3 percent, the next largest decrease.

Health Care and Social Assistance employment is expected to grow 1.5 percent in 2028, the largest increase among all sectors in the state. Construction employment is forecast to rise 1.2 percent, the next largest increase. Employment in the Private Educational Services sector is projected to fall 1.7 percent in 2028, the largest decrease among all sectors. The next largest decrease in employment among all sectors is forecast for Manufacturing, a decline of 1.2 percent.

Several sectors in the state are forecast to lose jobs each year from 2026 through 2028. These sectors include Government, Private Educational Services, Information, and the Nondurable Goods Manufacturing subsector. Government is one of the largest sectors in Mississippi in terms of employment, and this sector also lost jobs in 2025. Conversely, sectors that are forecast to add jobs each year from 2026 through 2028 include Health Care and Social Assistance, Professional and Business Services, Other Services, and Mining and Logging. The Health Care and Social Assistance sector has been a consistent creator of jobs in Mississippi, as employment in the sector increased in twenty-four of the last twenty-five years.



Sources: U.S. Bureau of Economic Analysis, University Research Center (forecasts)

**Table I. Baseline Mississippi and U.S. Forecasts**

	2025 Value	Percent Change	Annual Forecasts			Annualized Quarterly Forecasts							
			2026	2027	2028	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4
<b>Mississippi Forecast</b>													
Gross State Product (millions of current \$)	165,069	4.3	4.9	4.1	3.8	4.6	4.8	3.9	4.6	4.0	4.1	3.6	3.8
Gross State Product (millions of 2017 \$)	125,357	1.6	1.6	1.2	1.2	1.2	1.1	1.4	1.1	1.2	1.2	1.2	1.2
Agriculture, Forestry, Fishing, and Hunting	3,046	1.0	-2.5	0.2	-0.1	-7.7	6.7	-0.8	-1.4	0.8	-0.5	0.0	-0.1
Mining, Quarrying, and Oil and Gas Extraction	720	-4.2	6.2	2.5	-0.7	2.3	1.3	22.1	4.2	-3.2	-0.1	0.0	0.1
Construction	4,050	4.6	-1.2	1.0	1.0	-1.5	3.3	0.0	0.9	1.2	1.0	1.0	1.0
Manufacturing	20,227	1.9	1.2	0.2	0.4	-4.5	0.4	0.1	0.0	0.1	0.5	0.4	0.4
Durable Goods	9,816	1.3	2.9	0.1	0.3	-0.2	0.1	-0.3	0.1	0.0	0.3	0.4	0.3
Nondurable Goods	10,199	2.5	1.7	0.3	0.5	-0.4	0.7	0.5	-0.1	0.2	0.6	0.4	0.5
Transportation and Utilities	7,661	-0.9	1.1	0.6	0.8	-0.6	-0.4	1.0	0.7	0.3	0.9	0.8	0.7
Wholesale and Retail Trade	16,550	1.2	2.3	1.8	1.7	1.8	2.1	1.7	2.0	1.6	1.8	1.6	1.8
Information	2,914	5.5	4.5	3.9	4.0	5.5	2.0	5.5	4.5	3.6	3.7	3.5	3.8
Finance, Insurance, Real Estate, Rental, and Leasing	21,889	2.8	2.1	2.5	2.8	2.6	2.1	1.4	3.2	2.6	2.6	2.6	2.8
Professional and Business Services	10,705	4.1	2.2	1.5	1.4	1.8	0.1	2.3	1.6	1.4	1.4	1.2	1.4
Health Care and Social Assistance	10,338	3.1	3.1	2.9	2.7	2.8	2.3	6.1	0.2	4.1	2.4	2.9	2.6
Leisure and Hospitality	5,083	-1.6	2.3	-1.1	-1.4	-2.8	-0.7	-1.7	-0.7	-1.0	-1.3	-1.3	-1.3
Educational Services	838	3.0	3.3	2.8	2.1	2.9	3.7	5.9	2.6	1.9	2.5	2.5	2.2
Other Services	2,343	-1.6	0.4	0.1	0.1	-0.1	0.0	0.1	-0.1	0.1	0.1	0.1	0.1
Government	19,311	-0.3	-1.5	-0.3	-0.4	-0.7	-0.4	-0.2	-0.1	-0.4	-0.4	-0.4	-0.4
<b>Employment (thousands)</b>													
Residents	1,246.1	1.0	-1.0	-0.5	0.0	-0.7	1.7	6.9	6.8	4.2	2.9	1.7	1.1
Payroll	1,191.1	0.3	0.2	0.0	-0.1	-0.6	1.3	0.3	0.2	0.8	0.9	1.1	1.2
Mining and Logging	5.7	-3.3	0.5	4.1	0.3	-0.7	0.1	1.8	-1.0	-4.4	0.1	-1.4	-0.9
Construction	52.1	6.4	-1.3	0.7	1.2	0.0	0.6	3.4	-0.8	-5.6	0.7	-1.3	-0.6
Manufacturing	140.7	-1.8	0.2	-1.3	-1.2	-1.9	-0.7	-1.0	-1.4	-2.1	-1.0	-1.7	-1.5
Durable Goods	89.7	-3.1	1.3	-1.2	-1.3	-1.7	-1.2	0.2	0.3	-0.2	-0.4	-0.1	-0.1
Nondurable Goods	50.9	0.5	-1.6	-1.5	-1.0	0.0	0.7	-0.1	0.1	0.3	0.4	0.2	-0.3
Transportation and Utilities	71.8	-0.2	-1.6	-0.1	0.2	-4.1	-3.5	-0.1	0.3	0.7	-0.4	-0.4	-3.3
Wholesale and Retail Trade	176.9	-0.6	0.7	0.2	-0.8	-1.4	-0.7	0.5	0.4	0.7	0.2	0.1	-0.1
Information	9.5	-1.0	-2.1	-0.3	-0.8	1.4	0.1	0.7	0.6	0.5	0.5	0.5	0.5
Financial Activities	45.3	0.8	-0.7	0.3	0.3	2.4	1.8	0.5	0.2	1.5	1.4	1.1	1.3
Professional and Business Services	120.0	0.9	0.9	0.5	0.5	-0.2	-0.7	-1.1	-0.6	-0.7	-0.8	-0.9	-0.9
Health Care and Social Assistance	146.5	2.6	1.4	1.1	1.5	-0.7	1.7	6.9	6.8	4.2	2.9	1.7	1.1
Leisure and Hospitality	137.7	0.0	1.6	-0.8	-0.9	-0.6	1.3	0.3	0.2	0.8	0.9	1.1	1.2
Private Educational Services	14.7	1.9	-0.9	-2.0	-1.7	-2.3	-2.2	-2.1	-2.0	-2.0	-1.9	-1.8	-1.7
Other Services	40.1	0.6	0.3	0.1	0.1	-1.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Government	240.8	-0.7	-1.0	-0.1	-0.1	-1.1	-0.6	-0.2	0.0	0.0	-0.1	-0.1	-0.1
Unemployment rate (%)*	3.8	0.6†	0.4	0.4	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0
<b>Personal Income (millions of current \$)</b>													
Wages and Salaries	68,421	4.7	3.9	3.7	3.4	3.5	4.1	3.8	3.7	3.8	3.8	3.5	3.4
Supplements to Wages and Salaries	16,545	5.2	3.8	3.0	2.8	3.1	3.3	3.1	3.0	3.0	3.1	2.9	2.8
Proprietors' Income	11,173	5.7	-5.5	5.3	5.1	3.5	6.8	4.5	4.6	5.8	5.4	5.4	5.3
Farm Proprietors' Income	1,702	22.1	-58.0	0.2	-0.3	-13.2	20.5	-2.4	-3.9	1.5	-1.3	0.0	-0.3
Non-farm Proprietors' Income	9,471	3.2	4.2	5.7	5.5	4.9	5.9	5.0	5.3	6.1	5.9	5.8	5.6
Dividends, Interest, and Rent	26,789	1.8	2.2	4.0	4.1	2.6	3.0	3.5	3.9	4.3	4.2	4.3	4.1
Personal Current Transfer Receipts	45,468	7.8	5.5	5.4	5.6	6.5	4.8	4.8	5.9	6.3	4.1	5.7	5.3
Less: Contributions for Government Social Insurance	12,115	5.1	3.8	3.6	3.3	3.9	3.5	3.2	3.1	5.0	3.2	3.0	2.8
Plus: Adjustment for Residence	4,813	4.0	5.6	5.6	5.3	6.1	6.2	5.4	5.5	5.8	5.9	5.5	5.1
Equals: Total Personal Income	161,094	5.1	3.4	4.4	4.3	4.2	4.3	4.1	4.4	4.6	4.1	4.4	4.2
Less: Personal Current Taxes to Federal Government	10,607	8.4	3.7	3.7	3.3	2.0	4.8	4.3	4.1	2.2	4.3	3.9	3.7
Less: Personal Current Taxes to State and Local Governments	2,938	8.7	5.5	4.6	4.4	5.9	4.2	4.1	4.0	6.2	4.1	4.0	3.9
Equals: Disposable Personal Income	147,590	4.8	3.4	4.4	4.3	4.3	4.3	4.1	4.5	4.8	4.1	4.5	4.2
Per Capita Personal Income (thousands of \$)	54.53	5.0	3.5	4.4	4.3	4.2	4.4	4.1	4.5	4.6	4.1	4.5	4.3
Population (thousands)	2,954	0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
<b>U.S. Forecast</b>													
Gross Domestic Product (billions of current \$)	30,762	5.0	5.3	4.7	4.5	5.3	5.1	3.8	5.1	4.8	4.8	4.5	4.5
Gross Domestic Product (billions of 2017 \$)	23,850	2.1	2.1	2.0	2.1	2.2	1.7	1.5	1.8	2.1	2.1	2.2	2.2
GDP Deflator (Nominal GDP ÷ Real GDP × 100)	129.0	2.8	3.2	2.6	2.3	3.1	3.3	2.2	3.2	2.6	2.7	2.2	2.3
Total Resident Employment (millions)*	163.5	1.3	-0.4	0.2	0.5	-2.0	0.0	-0.1	0.0	0.1	0.3	0.4	0.5
Total Payroll Employment (millions)*	158.5	0.5	0.0	0.1	0.5	0.2	0.1	-0.1	-0.2	0.1	0.3	0.4	0.5
Unemployment Rate (%)*	4.3	0.3†	6.5	5.1	-3.2	-6.4	9.4	9.9	8.1	6.5	2.7	-0.8	-2.1
Personal Income (billions of current \$)	26,116	4.9	4.7	5.9	5.4	5.0	5.0	5.3	6.1	6.8	5.8	5.7	5.3
Per Capita Personal Income (thousands of \$)	76.393	4.3	4.4	5.7	5.1	4.8	4.8	5.0	5.8	6.5	5.5	5.5	5.0
Consumer Price Index (1982-84 = 100)	321.943	2.6	3.4	2.4	2.1	3.5	7.2	0.6	2.3	2.6	2.4	2.1	2.1
Prime Rate (%)	7.4	-0.9†	-0.6	-0.2	-0.3	-0.3	0.0	0.0	0.0	0.0	-0.2	0.0	-0.1

\*Seasonally-adjusted. †Percentage point change. Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and URC (forecasts).

## ALTERNATIVE FORECASTS

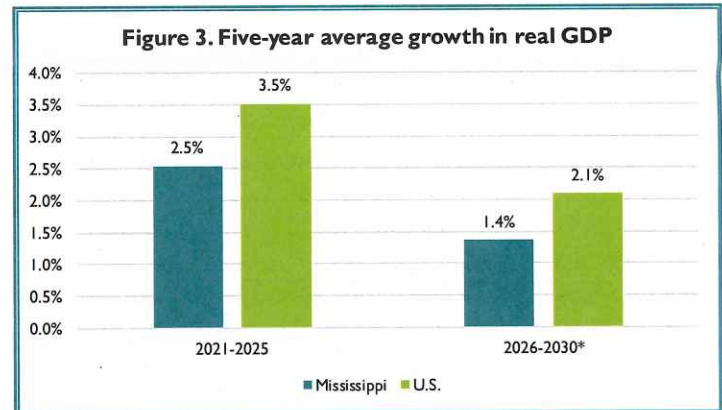
The firm S&P Global Market Intelligence assesses the probability of its latest pessimistic alternative scenario is 25 percent, up 5 percentage points from the previous quarter. The probability of the baseline scenario remains 50 percent. The pessimistic scenario assumes reduced energy supplies due to the conflict in the Middle East, leading to higher energy prices that in turn cause higher inflation. Under this scenario, consumer and business confidence falls, the unemployment rate is higher, and growth is less compared to the baseline forecast. U.S. real GDP increases by an average of 0.1 percentage point less per year over the next five years in the pessimistic scenario. Mississippi real GDP increases at an average annual rate over the next five years that is essentially the same as in the baseline forecast.

S&P Global Market Intelligence estimates the probability of its latest optimistic alternative scenario is 25 percent, down 5 percentage points from the previous quarter. The conflict in the Middle East ends more quickly in this scenario, which results in greater oil supplies, lower energy prices, and reduced inflation compared to the baseline forecast. Consumer and business confidence rises under this scenario, the unemployment rate falls, and growth is greater compared to the baseline forecast. Nevertheless, over the next five years U.S. real GDP expands at an average annual rate that is essentially unchanged compared to growth in the baseline forecast. Similarly, Mississippi real GDP also increases at an average annual rate over the next five years that is essentially the same as in the baseline forecast.

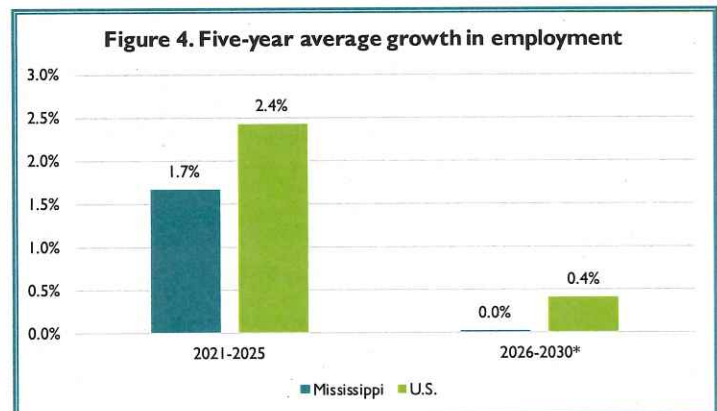
## FIVE-YEAR FORECASTS

Real GDP for Mississippi is forecast to expand by an average of 1.4 percent per year from 2026 through 2030 as seen in Figure 3. This estimate is 0.9 percentage points less than the average annual increase projected for the 2021 to 2025 period. The U.S. economy is expected to expand by 2.1 percent per year over the next five years, which represents a decrease of 1.4 percentage points per year compared to the 2021 to 2025 period. Growth in both the U.S. and Mississippi economies is projected to slow from 2026 to 2030, and U.S. real GDP growth is forecast to exceed Mississippi real GDP growth by an average of 0.7 percentage point per year over this period. Over the 2021 to 2025 period, U.S. real GDP growth exceeded Mississippi real GDP growth by an average of 1.0 percentage point per year.

Payroll employment in Mississippi is projected to be essentially unchanged from 2026 through 2030 as seen in Figure 4. This estimate represents a decrease of 1.7 percentage points per year compared to the 2021 to 2025 period. U.S. payroll employment is expected to increase by an average of 0.4 percent per year over the next five years. This estimate represents a decrease of 1.9 percentage points per year compared to the 2021 to 2025 period. The average annual change in U.S. employment therefore is expected to exceed the average annual change in Mississippi employment from 2026 through 2030 by 0.4 percentage point per year.



\*Projected. Sources: U.S. Bureau of Economic Analysis, URC (forecasts)



\*Projected. Sources: U.S. Bureau of Economic Analysis, URC (forecasts)