

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

Figure 1 below indicates the value of the Mississippi Leading Index (MLI) increased 0.9 percent in June, its largest monthly gain since October 2024. Compared to one year earlier the value of the MLI for the month was 3.0 percent lower.

The value of the Mississippi Coincident Index (MCI) rose 0.1 percent in June as seen in Figure 2 below. The value for the month was up 1.2 percent compared to one year ago.

In its first estimate of the change in U.S. real gross domestic product (GDP) in the second quarter of 2025, the U.S. Bureau of Economic Anal-

ysis (BEA) reported the economy expanded at a seasonally-adjusted, annualized rate of 3.0 percent. The change in real GDP in the first quarter remained a contraction of 0.5 percent. The 3.0 percent increase in real GDP in the second quarter primarily resulted from a decrease in imports, which are a subtraction in the calculation of real GDP, and an increase in consumer spending. These positive contributions were partly offset by decreases in investment and exports. BEA reported in the first estimate that imports into the U.S. tumbled at an annualized rate of 30.3 percent in the second quarter.

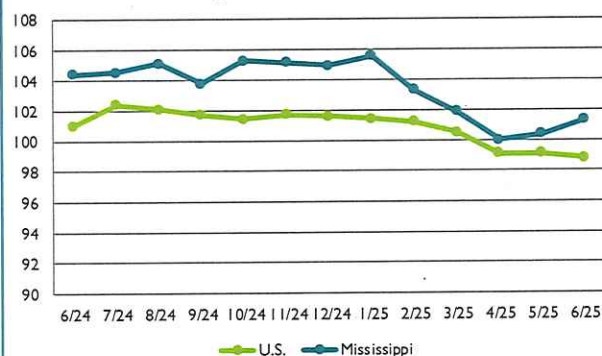
The value of the MLI increased in June for the second consecutive month, with an improvement in consumer expectations pushing the Index higher. Income tax withholdings also posted another relatively strong month. The state's labor market was relatively flat in the first half of 2025, but unemployment claims remain relatively low. The national economy appears to be slowing and inflation shows signs of picking up slightly. However, unless tariffs rise to levels approaching those announced on April 2, no recession but slower economic growth is the most likely outcome for 2025.

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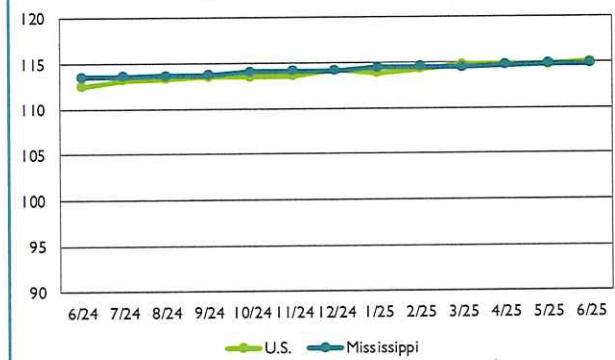
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Figure 1. Leading indices



Sources: University Research Center and The Conference Board

Figure 2. Coincident indices

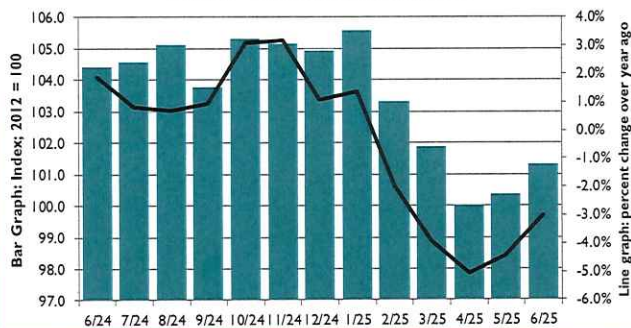


Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2017. 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 2017.

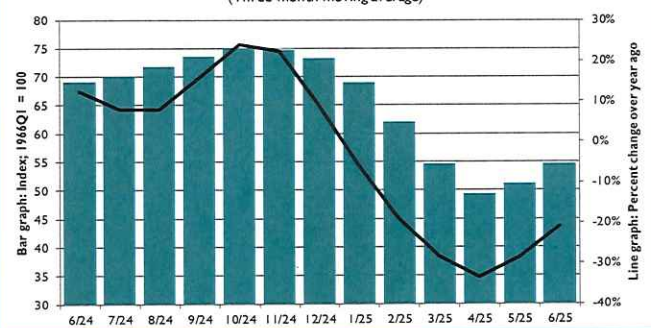
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES

Figure 3. Mississippi Leading Index



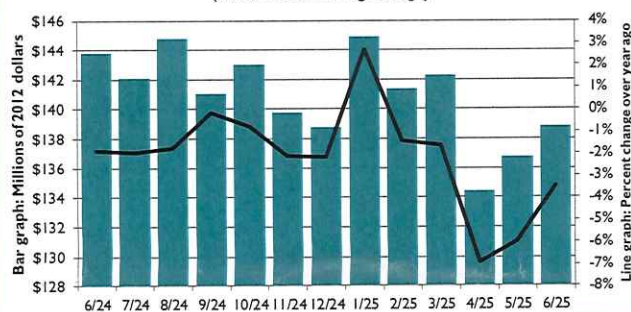
Source: University Research Center

Figure 4. University of Michigan Index of Consumer Expectations
(Three-month moving average)



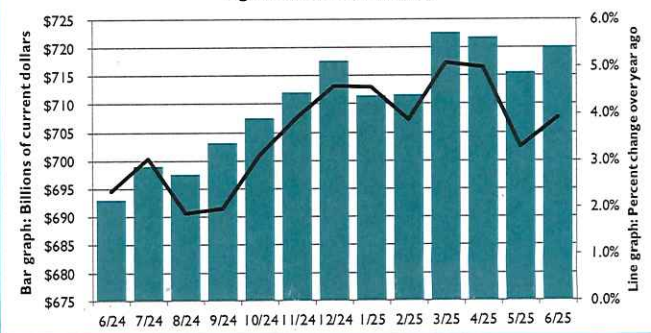
Source: Thomson Reuters/University of Michigan Surveys of Consumers

Figure 5. Mississippi income tax withholdings
(Three-month moving average)



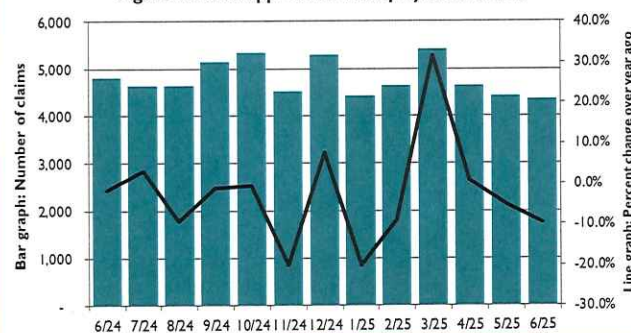
Source: Mississippi Department of Revenue; seasonally adjusted

Figure 6. U.S. retail sales



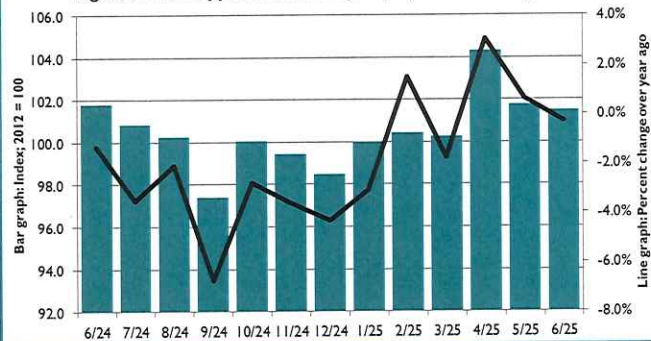
Source: U.S. Bureau of the Census; seasonally adjusted

Figure 7. Mississippi initial unemployment claims



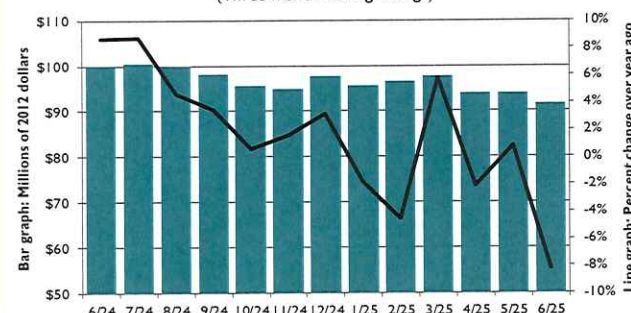
Source: U.S. Department of Labor; seasonally adjusted

Figure 8. Mississippi Manufacturing Employment Intensity Index



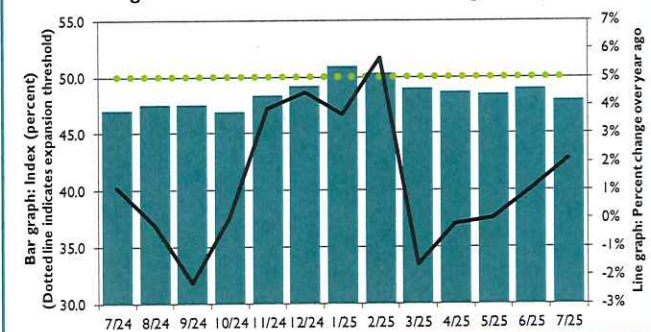
Source: URC using data from U.S. Bureau of Labor Statistics

Figure 9. Value of Mississippi residential building permits
(Three-month moving average)



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

Figure 10. ISM Index of U.S. Manufacturing Activity



Source: Institute for Supply Management

NATIONAL TRENDS

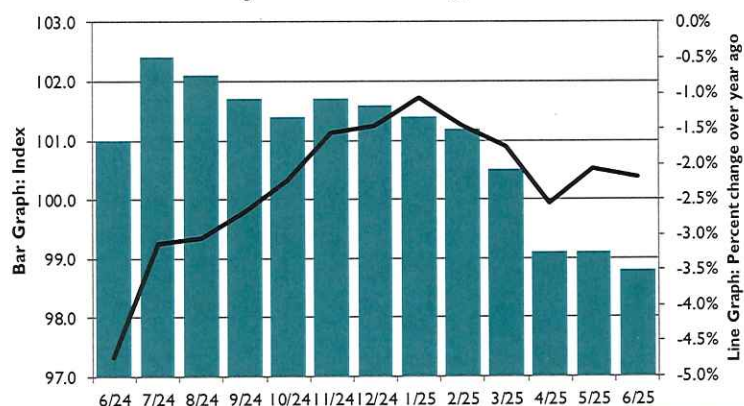
The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.3 percent in June. As seen in Figure 13, compared to one year ago the value was down 2.2 percent. Five of the ten components of the LEI made positive contributions. The largest positive contribution was made by the S&P 500® Index of Stock Prices. The largest negative contribution was made by average consumer expectations for future business conditions. Over the last six months the value of the LEI sank 2.8 percent.

The value of the U.S. Coincident Economic Index (CEI) climbed 0.3 percent in June according to The Conference Board. Compared to one year earlier the value of the CEI was up 2.3 percent. All four components of the CEI made positive contributions in June and personal income less transfer payments made the largest contribution. The value of the CEI increased 0.8 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index changed only slightly in June. The value decreased 0.2 percent as seen in Figure 15. Compared to one year earlier the value of the Index was up 7.8 percent. Four of the ten components decreased in June. The largest decrease occurred in the "current inventory" component. The largest increase among all components occurred in the "now is a good time to expand" component. The uncertainty index decreased in June and fell to its lowest level since December. However, tariffs remain a concern.

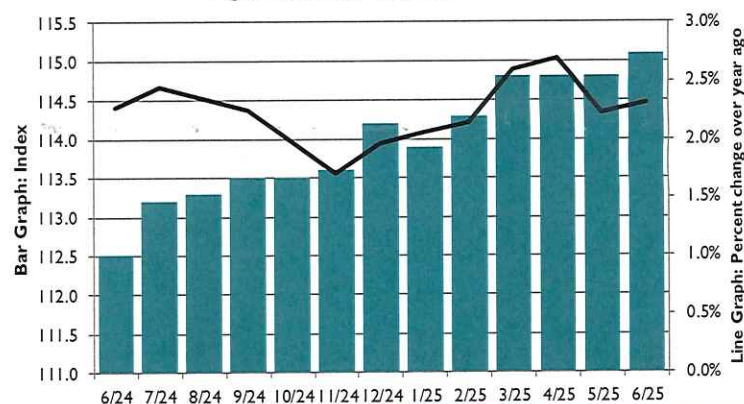
In July, members of the Federal Open Market Committee (FOMC) voted to leave the federal funds rate target unchanged for the sixth consecutive meeting. However, two board governors dissented for the first time since 1993. These two Fed governors voted to reduce the rate target by 25 basis points. When the FOMC will vote to reduce the rate target remains an open question. A reduction at the September meeting is possible, but that move will require continued moderation of inflation. In June, both the Consumer Price Index and the Personal Consumption Expenditures Index moved higher. A reacceleration of inflation in the second half of the year could even put a rate target increase back in play for the FOMC.

Figure 13. U.S. Leading Index



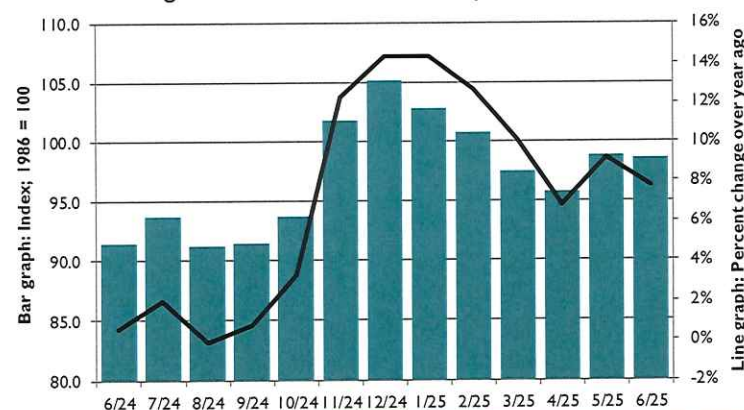
Source: The Conference Board

Figure 14. U.S. Coincident Index



Source: The Conference Board

Figure 15. NFIB Small Business Optimism Index



Source: National Federation of Independent Businesses

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	June 2025	May 2025	June 2024	Percent change from June 2025 May 2025	
U.S. Leading Economic Index 2017 = 100. Source: The Conference Board	98.8	99.1	101.0	▼0.3%	▼2.2%
U.S. Coincident Economic Index 2017 = 100. Source: The Conference Board	115.1	114.8	112.5	▲0.3%	▲2.3%
Mississippi Leading Index 2017 = 100. Source: University Research Center	101.3	100.4	104.4	▲0.9%	▼3.0%
Mississippi Coincident Index 2017 = 100. Source: Federal Reserve Bank of Philadelphia	114.9	114.8	113.5	▲0.1%	▲1.2%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,359	4,424	4,821	▼1.5%	▼9.6%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Bureau of the Census	91.7	94.1	100.0	▼2.5%	▼8.2%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	138.8	136.7	143.8	▲1.5%	▼3.5%
Mississippi Manufacturing Employment Intensity Index 2017 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	101.5	101.8	101.8	▼0.3%	▼0.3%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	54.6	51.1	69.1	▲6.8%	▼21.0%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	48.0	49.0	47.0	▼2.0%	▲2.1%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	720.1	715.5	692.9	▲0.6%	▲3.9%
U.S. Consumer Price Index (CPI)	322.6	321.5	314.2	▲0.3%	▲2.7%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	328.4	327.5	319.0	▲0.3%	▲2.9%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.0%	4.0%	2.9%	◀▶0.0	▲1.1
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	32,358	27,708	29,439	▲16.8%	▲9.9%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	50.1	50.8	51.4	▼1.4%	▼2.5%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.66%	6.72%	6.76%	▼0.06	▼0.09
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	23.53	23.20	22.54	▲1.4%	▲4.4%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	969.78	981.79	914.43	▼1.2%	▲6.1%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	98.6	98.8	91.5	▼0.2%	▲7.8%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.41	15.32	15.83	▲7.1%	▲3.7%
Gaming revenue	181.55	153.75	154.0	▲18.1%	▲17.9%
Coastal counties	110.08	99.37	99.9	▲10.8%	▲10.1%
River counties Seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	71.47	54.39	54.1	▲31.4%	▲32.2%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES

Figure 24a. Nonfarm employment

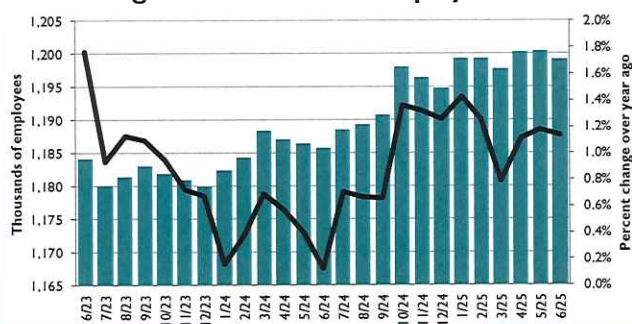


Figure 24b. Mining and Logging

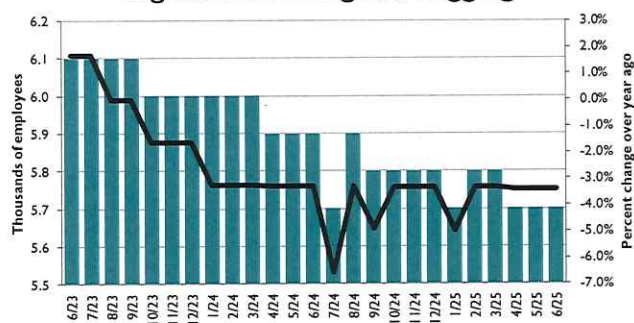


Figure 24c. Construction

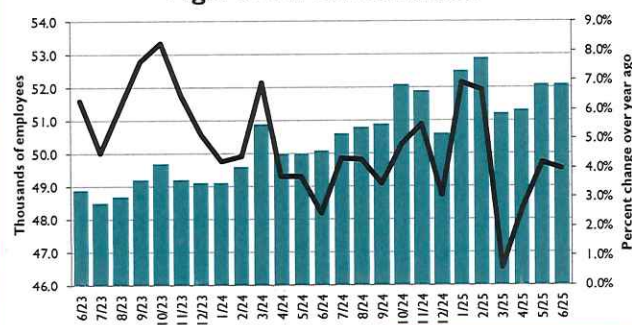


Figure 24d. Manufacturing

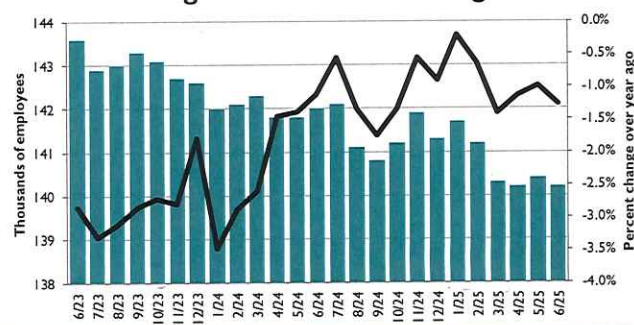


Figure 24e. Trade, transportation, and utilities

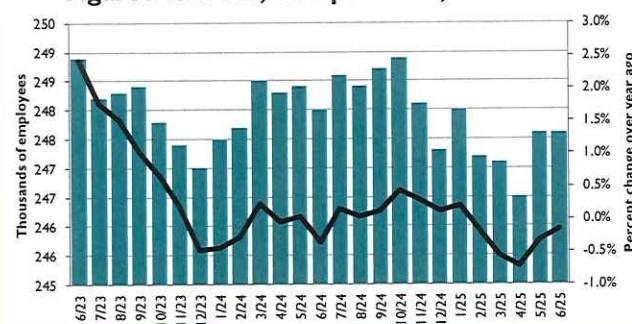


Figure 24f. Information

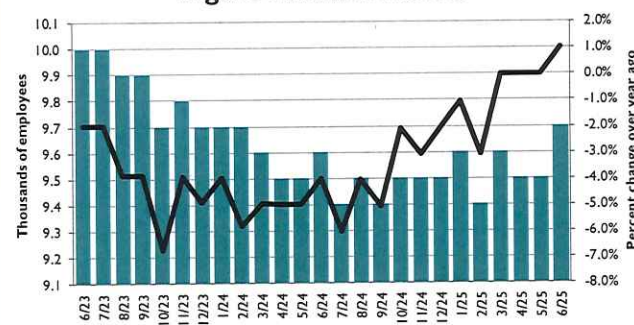


Figure 24g. Financial activities

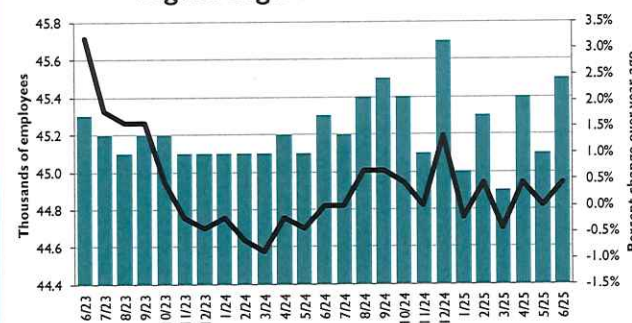
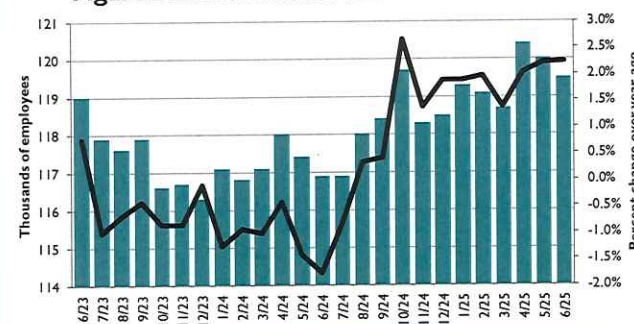


Figure 24h. Professional and business services



CHANGE IN LABOR FORCE PARTICIPATION BY STATE IN 2024

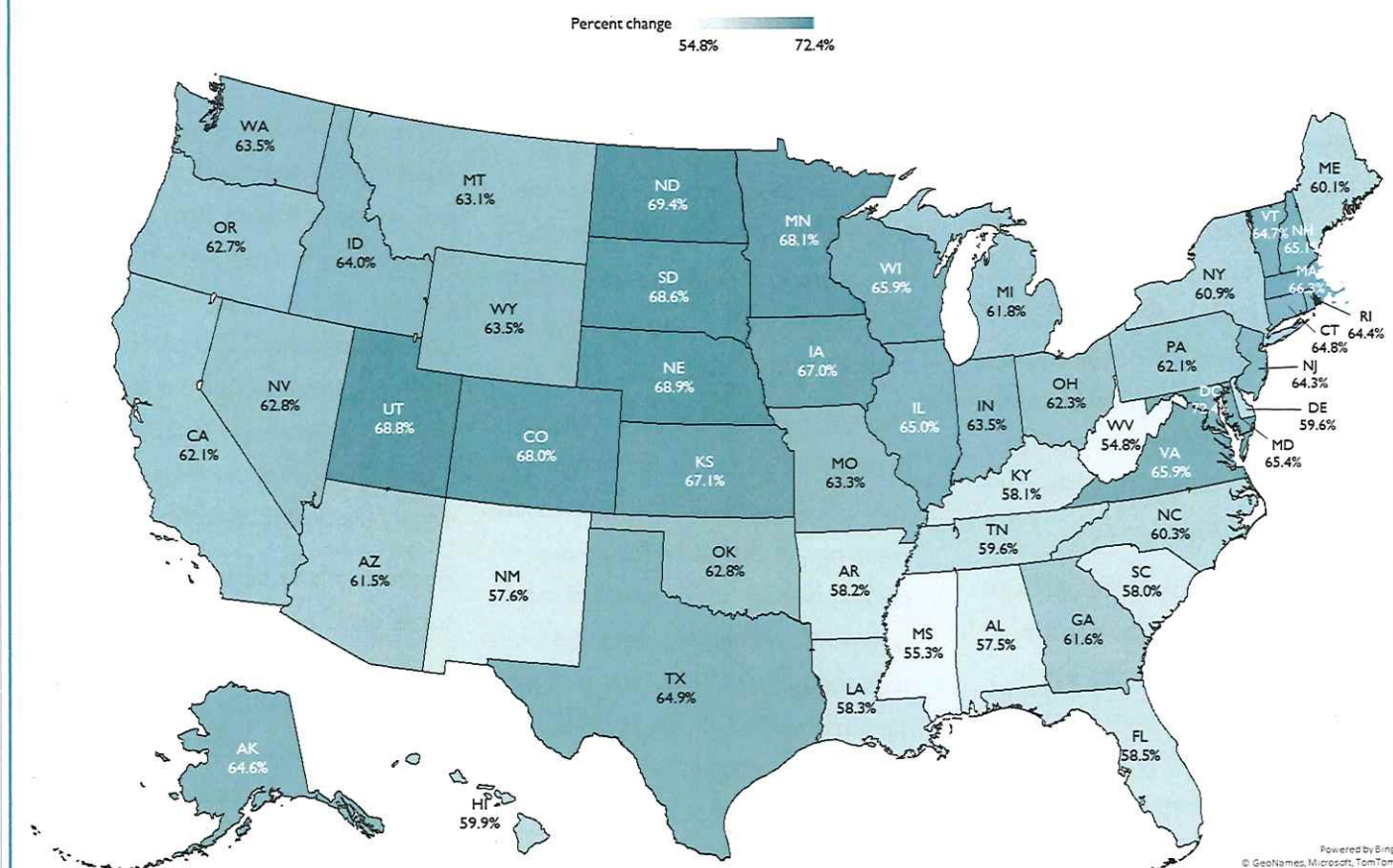
Labor force participation rates increased in twenty-seven states and the District of Columbia in 2024, decreased in twenty-one states, and did not change in two states according to the U.S. Bureau of Labor Statistics (BLS). Only eleven states and the District of Columbia had higher labor force participation rates in 2024 than in 2019, while the rate was unchanged in Alaska and Rhode Island. The U.S. labor force participation rate was 62.6 percent in 2024, the same as in 2023 but 0.5 percentage point less than the 2019 rate. In 2024 the labor force participation rate for Mis-

issippi rose 0.8 percentage point from the previous year to 55.3 percent and remained 0.9 percentage points below the 2019 rate. Only Vermont experienced a larger increase in the labor force participation rate from 2023 to 2024 of 0.9 percentage point. The labor force participation rate of 55.3 percent for Mississippi in 2024 was the highest annual rate for the state reported by BLS since 2019.

The highest labor force participation rate among all states in 2024 was the 69.4 percent rate in North Dakota as seen in Figure 25 below. This rate was up 0.2 percentage

point from 2023 and was 0.6 percentage point below the state's 2019 rate. Sixteen states and the District of Columbia had labor force participation rates of 65.0 percent or more in 2024. Most of these states were located in the upper Midwest region. The only Southeastern state with a rate above 65.0 percent in 2024 was Virginia, while Texas followed closely with a rate of 64.9 percent. Mississippi's labor force participation rate of 55.3 percent in 2024 was the second-lowest among all states, 0.5 percentage point above the lowest rate of West Virginia.

Figure 25. Labor force participation rate by state, 2024



Source: U.S. Bureau of Economic Analysis.