

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

In May the value of the Mississippi Leading Index (MLI) rose 0.5 percent as seen in Figure 1 below, its first monthly increase since January. The value of the MLI for the month was down 4.4 percent compared to one year earlier.

Figure 2 below indicates the value of the Mississippi Coincident Index (MCI) rose 0.2 percent in May. Compared to one year ago the value for the month was up 1.2 percent.

The U.S. Bureau of Economic Analysis (BEA) reported in its third estimate of the change in U.S. real gross domestic product (GDP) in the first quarter

of 2025 a contraction of 0.5 percent at a seasonally-adjusted, annualized rate. This estimate represents a downward revision of 0.3 percentage point from BEA's second estimate. The downward revision primarily resulted from downward revisions to consumer spending and exports. These downward revisions were partly offset by a downward revision to imports, which are a subtraction in the calculation of real GDP. According to BEA's third estimate, imports into the U.S. surged at an annualized rate of 37.9 percent in the first quarter.

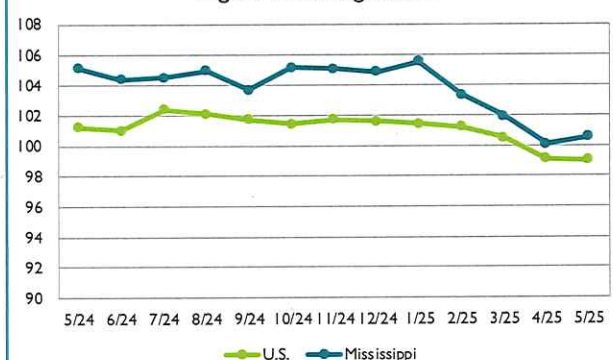
After three consecutive months of declines, the value of the MLI increased in May. An increase in income tax withholdings along with the first increase in consumer expectations in seven months was primarily responsible for the gain. Consumers' concerns about price increases from tariffs have eased as the implementation of most previously-announced tariffs has been delayed. However, much uncertainty about trade policy remains, which will continue to inhibit growth prospects. Nevertheless, the U.S. economy is expected to escape recession in 2025 if additional tariffs are averted.

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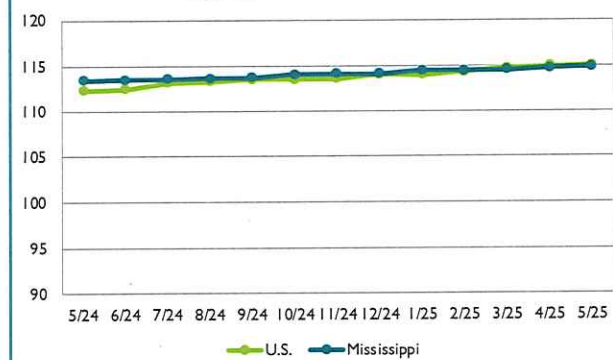
Corey Miller, State Economist
3825 Ridgewood Road
Jackson, MS 39211
cmiller@mississippi.edu
mississippi.edu/university-research-center

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, MAY 2025

For the first time since January, the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased in May. As seen in Figure 3, the value rose 0.5 percent for the month. The value of the MLI in May was 4.4 percent lower compared to one year earlier, the fourth consecutive month with a year-over-year decrease. The value of the MLI also decreased 4.4 percent over the last six months.

Five of the seven components of the MLI increased in value in May. Income tax withholdings made the largest positive contribution while the largest negative contribution came from the Mississippi Manufacturing Employment Intensity Index. Each component is discussed below in order of largest to smallest contribution.

The value of **Mississippi income tax withholdings** (three-month moving average) climbed 1.9 percent in May as seen in Figure 4. The value of withholdings for the month was down 6.0 percent compared to one year earlier, the fourth consecutive month with a year-over-year decrease. Over the last six months the value of income tax withholdings in Mississippi fell 1.7 percent.

In May the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) jumped 3.7 percent as seen in Figure 5, the first monthly increase since October 2024. Compared to one year earlier the value in May was 28.5 percent lower. Consumers' immediate fears about higher prices from tariffs have been allayed by the delays in the implementation of some tariffs. In the most recent survey short-term (one-year) inflation expectations fell to their lowest level since March. Long-term (five-year)

inflation expectations edged lower for the second consecutive month.

For the first time since January, the value of the **ISM Index of U.S. Manufacturing Activity** increased in June. The value rose 1.0 percent for the month and returned to its March level. Compared to one year earlier the value in June was also 1.0 percent higher as seen in Figure 6. Only two of the five components increased in value in June and the largest increase was in the Production component. The prices paid index edged up in June, but remained in the same narrow range for the fourth consecutive month. Commodities reported with higher prices in June included aluminum, electrical components, paper products, and steel. The only commodity reported down in price for the month was hot rolled steel.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 4.4 percent in May as seen in Figure 7. The value for the month was 5.2 percent lower compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 8.9 percent in May as seen in Figure 16 on page 6. Compared to one year earlier the number of continued unemployment claims in the state for the month was down 1.5 percent. The unemployment rate in Mississippi was 4.0 percent in May as seen in Figure 17 on page 6, unchanged from the previous month. The rate in May was 1.2 percentage points higher compared to one year earlier.

Figure 8 indicates the value of **Mississippi residential building permits** (three-month moving average) rose 0.2 percent in May. The value in May was 1.5 percent lower compared to

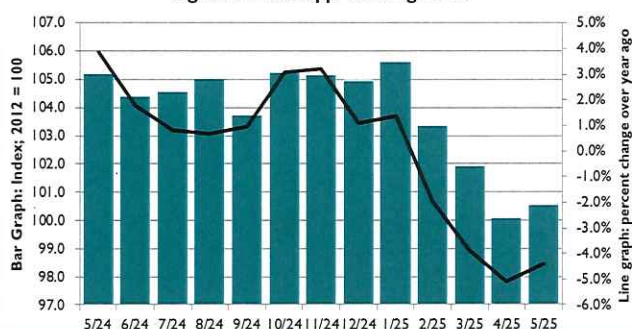
one year ago. The number of units in the state rose 1.5 percent for the month, the second consecutive monthly increase. The number of units in the state in May was 5.8 percent higher compared to one year earlier. The number of privately-owned housing units authorized by building permits in the U.S. decreased 2.0 percent in May from the revised April rate. The number of units in the U.S. in May was 1.0 percent lower compared to one year earlier.

The value of **U.S. retail sales** fell 0.9 percent in May as seen in Figure 9. The value for April was revised down to a decrease of 0.1 percent. Compared to one year earlier the value of sales in May was up 3.3 percent. Sales excluding automobiles and gasoline were down 0.1 percent for the month. The decrease in sales in May likely represents the end of forward buying from previous months in expectation of tariff-related price increases. The largest increase in sales among all segments occurred in Sporting Goods and Hobbies, while the largest decrease among all segments for the month occurred in Motor Vehicles and Parts.

As seen in Figure 10 the value of the **Mississippi Manufacturing Employment Intensity Index** fell 2.1 percent in May, the largest monthly decrease since September 2024. The value for the month was 0.8 percent higher compared to one year earlier. Both Manufacturing employment in the state and the average weekly hours of production employees decreased in May, which led to the decline in the value of the Index.

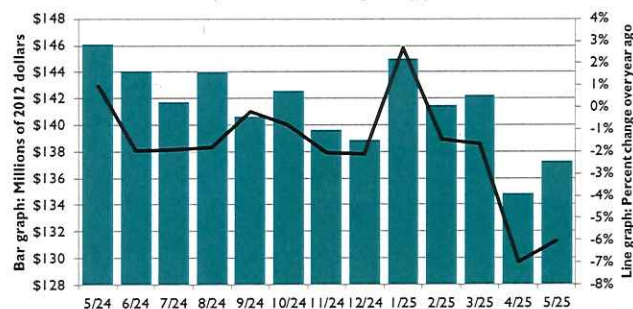
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES

Figure 3. Mississippi Leading Index



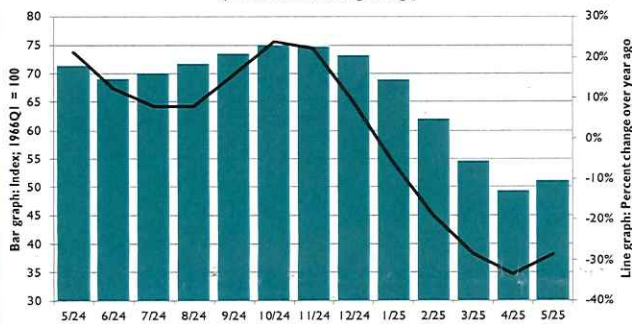
Source: University Research Center

Figure 4. Mississippi income tax withholdings
(Three-month moving average)



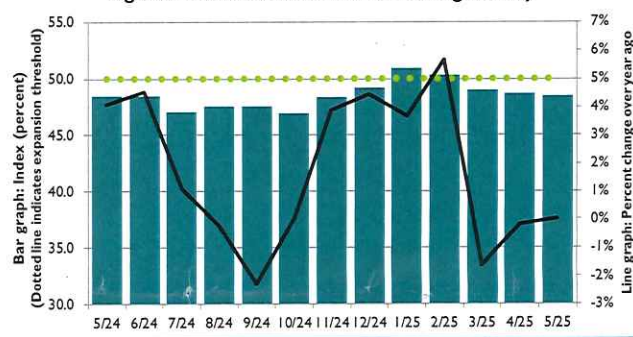
Source: Mississippi Department of Revenue; seasonally adjusted

Figure 5. University of Michigan Index of Consumer Expectations
(Three-month moving average)



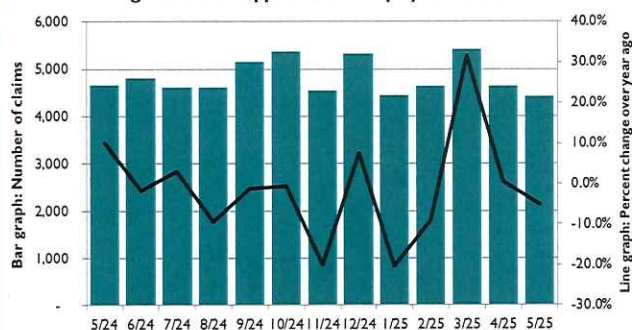
Source: Thomson Reuters/University of Michigan Surveys of Consumers

Figure 6. ISM Index of U.S. Manufacturing Activity



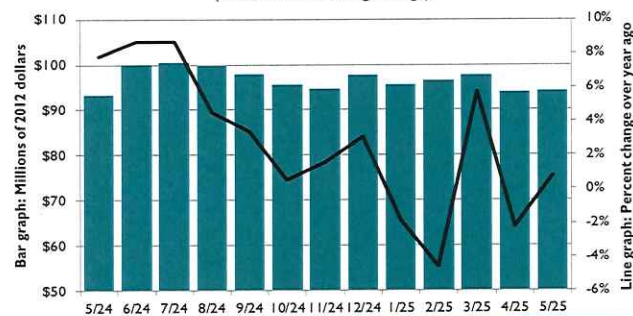
Source: Institute for Supply Management

Figure 7. Mississippi initial unemployment claims



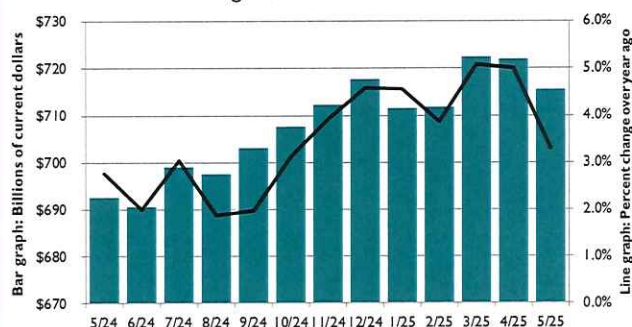
Source: U.S. Department of Labor; seasonally adjusted

Figure 8. Value of Mississippi residential building permits
(Three-month moving average)



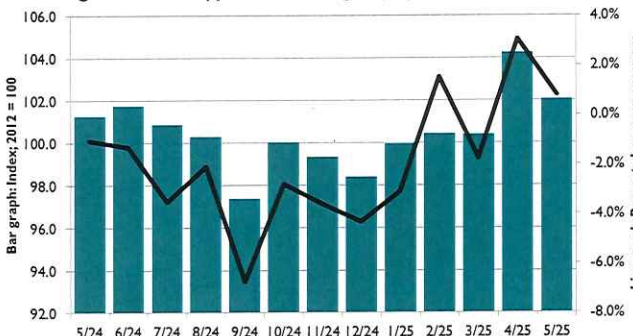
Source: URC using data from U.S. Bureau of Labor Statistics

Figure 9. U.S. retail sales



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

Figure 10. Mississippi Manufacturing Employment Intensity Index



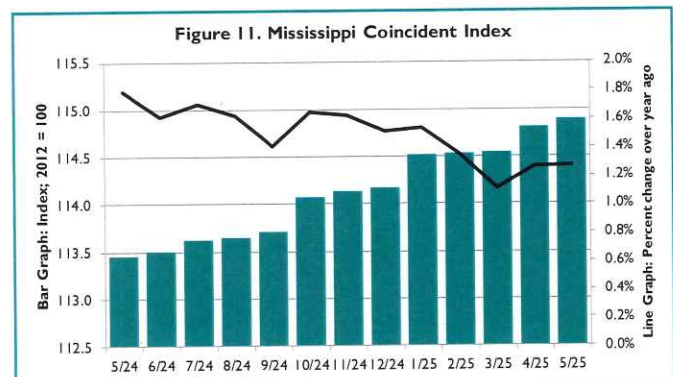
Source: URC using data from U.S. Bureau of Labor Statistics

MISSISSIPPI COINCIDENT INDEX, MAY 2025

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.2 percent in May as seen in Figure 11. The value of the MCI for the month was up 1.2 percent compared to one year earlier.

The values of the coincident indices increased in forty-three states in May compared to February according to the Federal Reserve Bank of Philadelphia. The value of the coincident index for Indiana rose more than 1.7 percent over the last three months as seen in Figure 12, which was the largest increase among all states. In seven states the values of

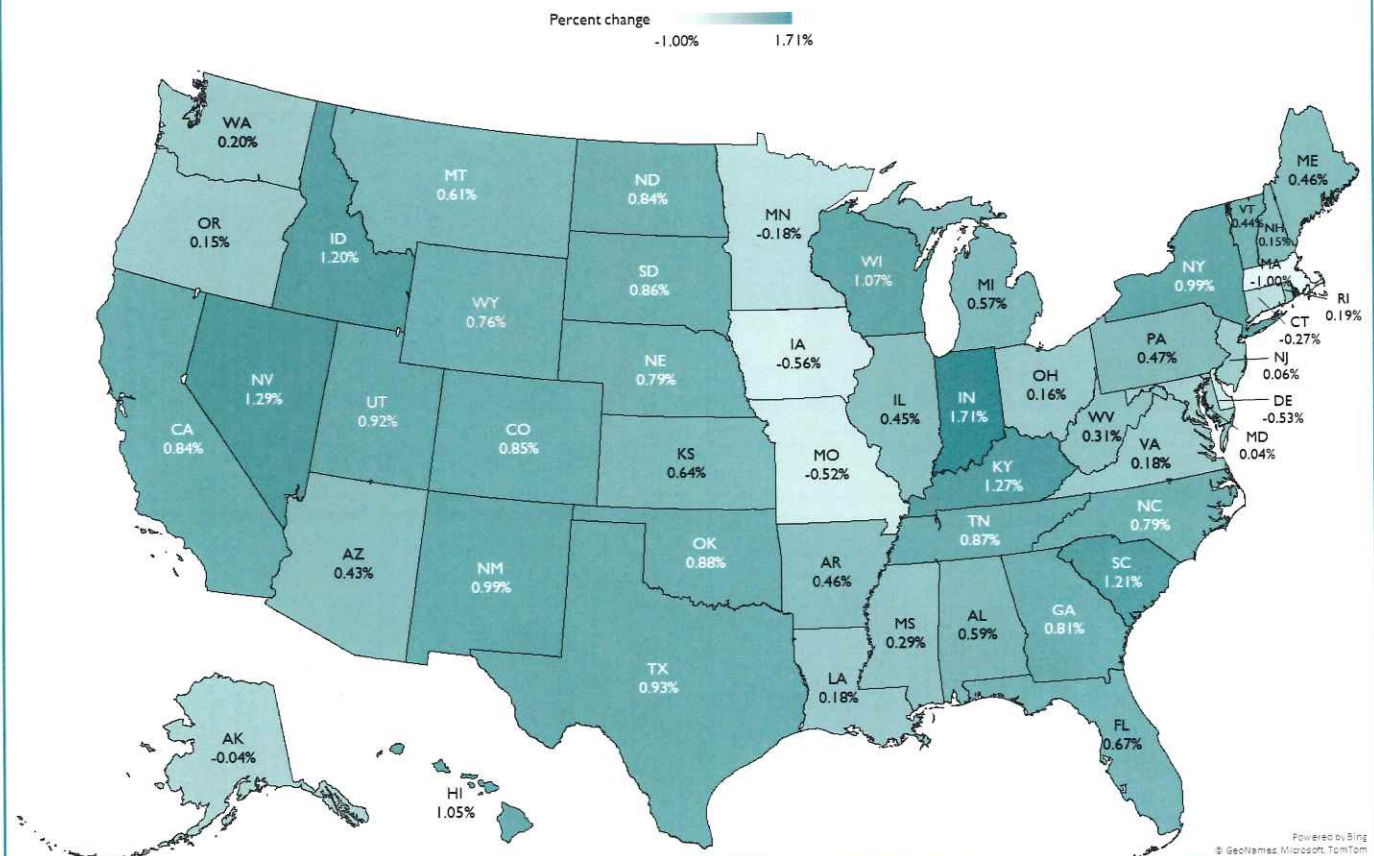
the coincident indices increased more than 1.0 percent in May compared to February. The values of coincident indices in twenty-one states increased more than 0.5 percent to less than 1.0 percent over the last three months. In fifteen states including Mississippi the values of coincident indices increased less than 0.5 percent in May compared to February. The values of coincident indices decreased over the last three



Source: Federal Reserve Bank of Philadelphia

months in seven states. Once again Massachusetts had the largest decrease in the value of a coincident index among all states in May compared to February of 1.0 percent.

Figure 12. Three-month growth in the coincident index of economic indicators, May 2025



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

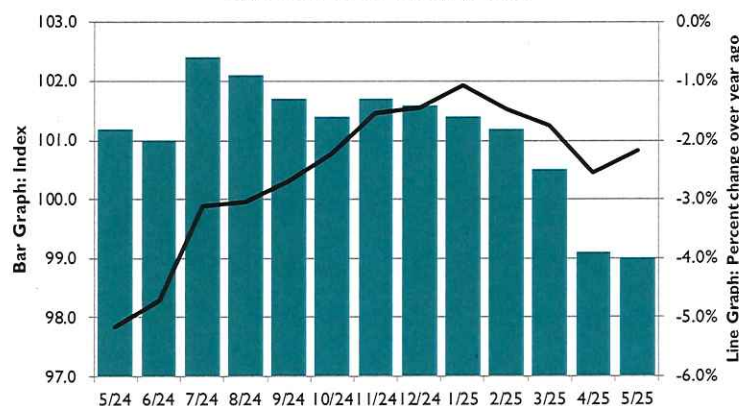
In May the value of the U.S. Leading Economic Index (LEI) decreased 0.1 percent according to The Conference Board as seen in Figure 13. The value was 2.2 percent lower compared to one year ago. The value of the LEI in May was the lowest since April 2015. Five of the ten components of the LEI made positive contributions. The largest positive contribution was made by the S&P 500® Index of Stock Prices. Average consumer expectations for future business conditions made the largest negative contribution. The value of the LEI fell 2.7 percent over the last six months.

The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.1 percent in May. The value of the CEI was up 2.5 percent compared to one year earlier. Three of the four components of the CEI made positive contributions in May, led by personal income less transfer payments. Industrial production made the only negative contribution. Over the last six months the value of the CEI rose 1.3 percent.

After four consecutive months of decreases, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose in May. As seen in Figure 15, the value increased 3.1 percent. The value of the Index was 9.2 percent higher compared to one year earlier. Seven of the ten components increased in May, and the largest increase occurred in the "expect real sales higher" component. The largest decrease among all components occurred in the "earnings trends" component. The uncertainty index edged up as firms wait for more information from the federal government on potential tariffs and tax cuts for businesses.

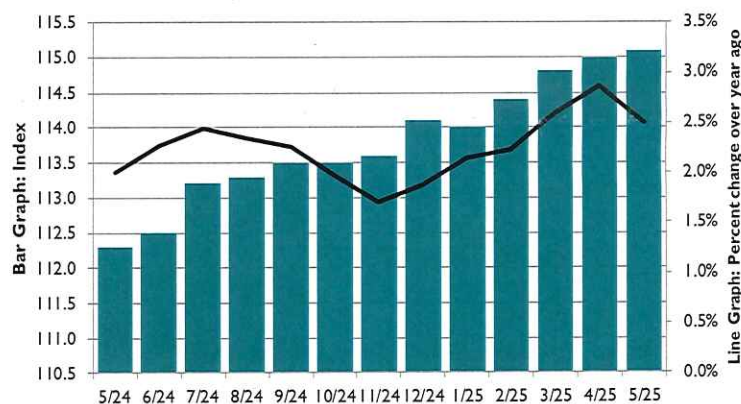
Members of the Federal Open Market Committee (FOMC) left the federal funds rate target unchanged at their June meeting, as was widely expected. In its statement following the meeting explaining the decision, the FOMC noted "Uncertainty about the economic outlook has diminished but remains elevated." The FOMC also updated its projections at the June meeting; members still expect two quarter-percentage-point rate cuts to the rate target in 2025. However, the forecast for annual inflation increased and the forecast for annual GDP growth decreased in the latest projections.

Figure 13. U.S. Leading Index



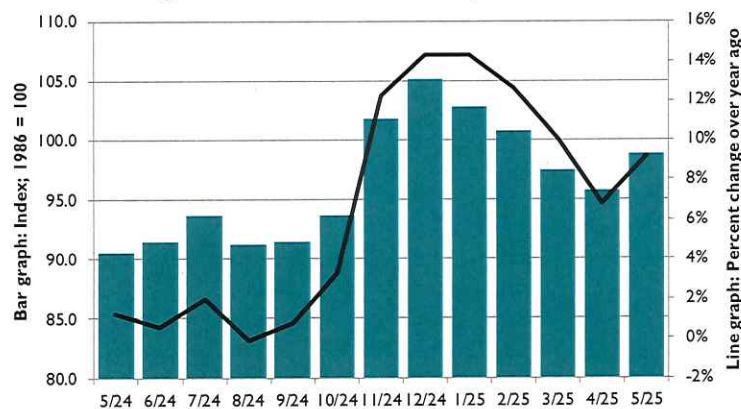
Source: The Conference Board

Figure 14. U.S. Coincident Index



Source: The Conference Board

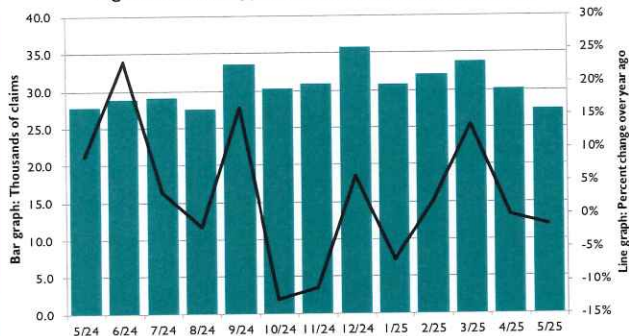
Figure 15. NFIB Small Business Optimism Index



Source: National Federation of Independent Businesses

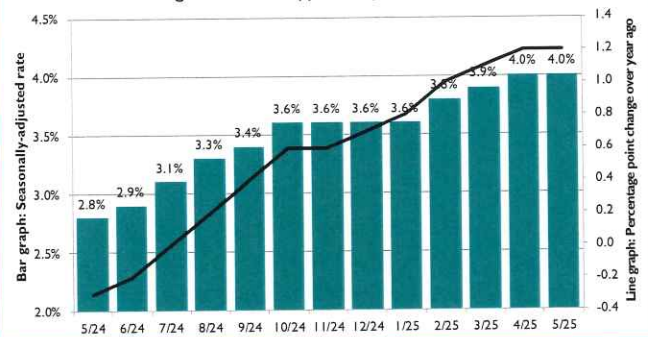
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES

Figure 16. Mississippi continued unemployment claims



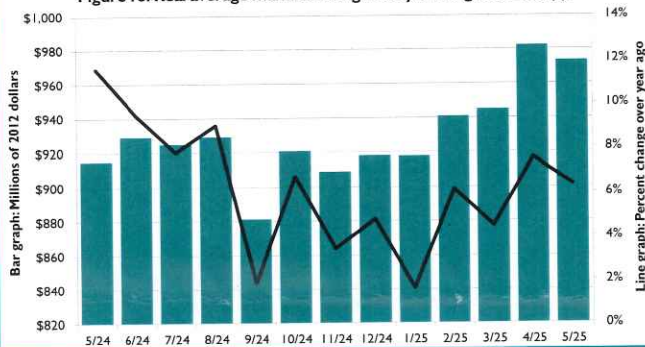
Sources: U.S. Department of Labor, URC (seasonal adjustment)

Figure 17. Mississippi unemployment rate



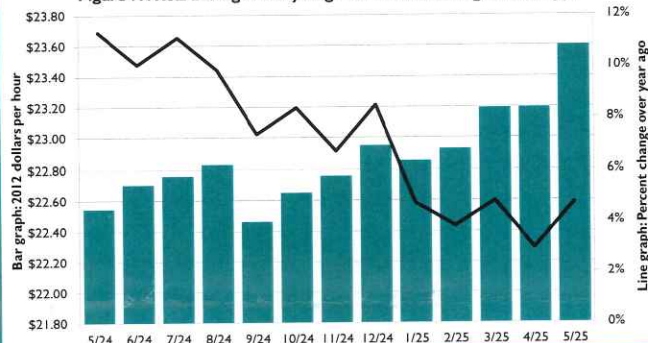
Source: U.S. Bureau of Labor Statistics

Figure 18. Real average manufacturing weekly earnings in Mississippi



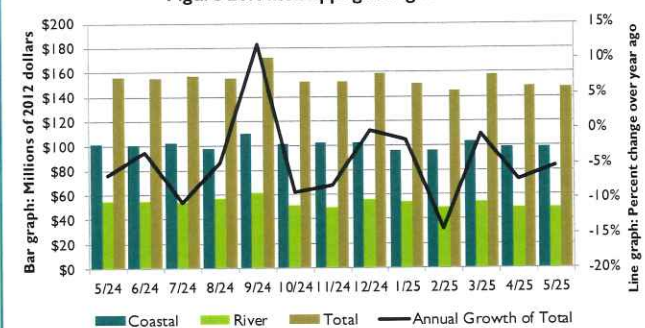
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)

Figure 19. Real average hourly wage for manufacturing in Mississippi



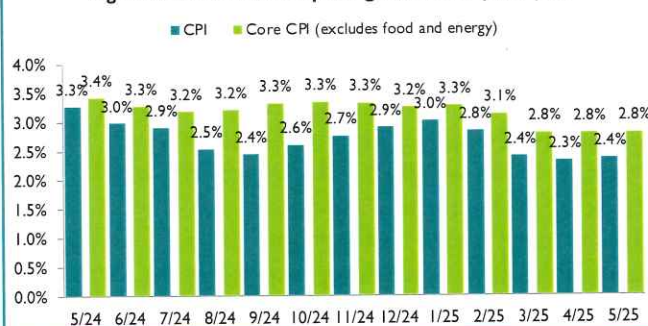
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)

Figure 20. Mississippi gaming revenue



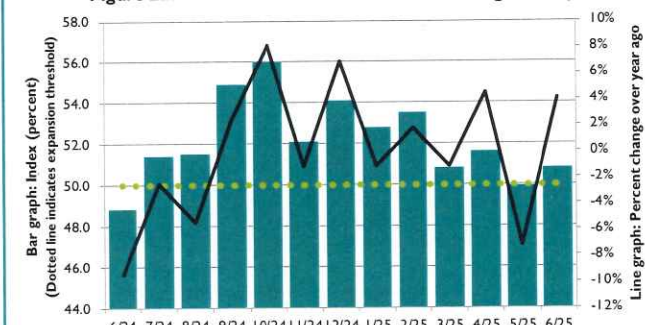
Source: Mississippi Department of Revenue, URC (seasonal adjustment)

Figure 21. U.S. inflation: price growth over prior year



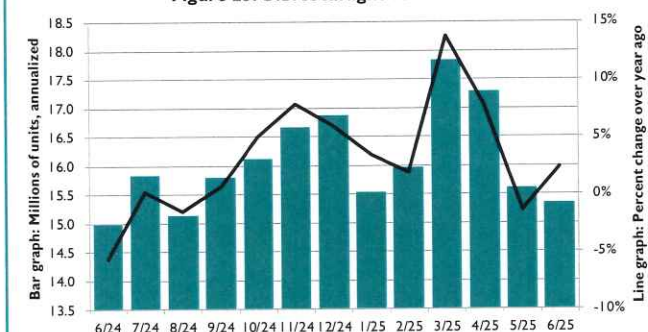
Source: U.S. Bureau of Labor Statistics

Figure 22. ISM Index of U.S. Non-Manufacturing Activity



Source: Institute for Supply Management

Figure 23. U.S. total light vehicle sales



Source: U.S. Bureau of Economic Analysis

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	May 2025	April 2025	May 2024	Percent change from May 2025 April 2025	
U.S. Leading Economic Index 2017 = 100. Source: The Conference Board	99.0	99.1	101.2	▼0.1%	▼2.2%
U.S. Coincident Economic Index 2017 = 100. Source: The Conference Board	115.1	115.0	112.3	▲0.1%	▲2.5%
Mississippi Leading Index 2017 = 100. Source: University Research Center	100.5	100.1	105.2	▲0.5%	▼4.4%
Mississippi Coincident Index 2017 = 100. Source: Federal Reserve Bank of Philadelphia	114.9	114.7	113.5	▲0.2%	▲1.2%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,434	4,637	4,675	▼4.4%	▼5.2%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Bureau of the Census	94.1	93.9	93.4	▲0.2%	▲0.8%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	137.3	134.8	146.1	▲1.9%	▼6.0%
Mississippi Manufacturing Employment Intensity Index 2017 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	102.1	104.2	101.3	▼2.1%	▲0.8%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	51.1	49.3	71.5	▲3.7%	▼28.5%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	49.0	48.5	48.5	▲1.0%	▲1.0%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	715.4	722.0	692.6	▼0.9%	▲3.3%
U.S. Consumer Price Index (CPI)	321.5	320.8	314.1	▲0.2%	▲2.4%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	327.5	326.8	318.6	▲0.2%	▲2.8%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.0%	4.0%	2.8%	◀▶0.0	▲1.2
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	27,441	30,126	27,856	▼8.9%	▼1.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	50.8	49.9	48.8	▲1.8%	▲4.1%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.71%	6.73%	6.94%	▼0.02	▼0.23
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	23.60	23.20	22.54	▲1.7%	▲4.7%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	973.31	982.04	915.25	▼0.9%	▲6.3%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	98.8	95.8	90.5	▲3.1%	▲9.2%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.34	15.60	14.99	▼1.7%	▲2.3%
Gaming revenue	148.14	148.26	156.6	▼0.1%	▼5.4%
Coastal counties	99.02	99.10	101.5	▼0.1%	▼2.4%
River counties Seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	49.12	49.16	55.1	▼0.1%	▼10.8%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi increased by 300 jobs in May according to the U.S. Bureau of Labor Statistics (BLS), essentially no change in percentage terms. As seen in Table 2, compared to one year ago total employment in the state was higher by 14,100 jobs in May, an increase of 1.2 percent. BLS revised the change in April employment in the state down from an increase of 4,300 jobs to an increase of 2,600 jobs.

In May nonfarm employment was essentially unchanged in all fifty states and the District of Columbia according to BLS.

BLS reported eighteen states added jobs over the last twelve months as of May, and the agency reported employment was essentially unchanged in thirty-two states and the District of Columbia. Texas added 213,300 jobs, the most among all states, followed by Florida, which

added 148,700 jobs, and New York, which added 100,400 jobs. Employment in South Carolina rose 2.7 percent over the last twelve months as of May, the largest percentage increase in employment among all states, closely followed by the 2.6 percent increase in employment in Idaho.

The Trade, Transportation, and Utilities sector added 1,000 jobs in May, the largest increase in employment among all sectors in Mississippi. Employment in the Information sector rose 2.1 percent in May, the largest percentage increase in employment among all sectors in the state and a gain of 200 jobs. The largest decrease in employment among all sectors in the state occurred in the Professional and Business Services sector, which lost 700 jobs. Employment in the Arts and Entertainment sector fell 1.0 percent in May, the largest percentage decrease in employment among all

sectors and a loss of 100 jobs.

The Health Care and Social Assistance sector added 6,600 jobs over the last twelve months as of May, once again the largest increase among all sectors in Mississippi. Employment in the Educational Services sector rose 8.0 percent over the last twelve months as of May, the largest percentage increase in employment among all sectors in the state and a gain of 1,100 jobs. Over the last twelve months as of May the state's Manufacturing sector lost 1,200 jobs, the largest decrease in employment among all sectors. Employment in the Mining and Logging sector declined 3.4 percent over the last twelve months as of May, the largest percentage decrease in employment among all sectors in the state and a loss of 200 jobs.

Table 2. Change in Mississippi employment by industry, May 2025

	Relative share of total ^a	May 2025	April 2025	May 2024	Change from April 2025		Change from May 2024	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,200,600	1,200,300	1,186,500	▲300	▲0.0%	▲14,100	▲1.2%
Mining and Logging	0.5%	5,700	5,700	5,900	◀0	◀0.0%	▼200	▼3.4%
Construction	4.3%	52,000	51,300	50,000	▲700	▲1.4%	▲2,000	▲4.0%
Manufacturing	11.8%	140,600	140,200	141,800	▲400	▲0.3%	▼1,200	▼0.8%
Trade, Transportation & Utilities	20.7%	247,500	246,500	248,400	▲1,000	▲0.4%	▼900	▼0.4%
Retail Trade	11.6%	139,400	138,900	138,900	▲500	▲0.4%	▲500	▲0.4%
Information	0.8%	9,700	9,500	9,600	▲200	▲2.1%	▲100	▲1.0%
Financial Activities	3.8%	45,500	45,400	45,100	▲100	▲0.2%	▲400	▲0.9%
Services	37.9%	458,200	460,100	446,800	▼1,900	▼0.4%	▲11,400	▲2.6%
Professional & Business Services	9.9%	119,700	120,400	117,400	▼700	▼0.6%	▲2,300	▲2.0%
Educational Services	1.2%	14,800	14,700	13,700	▲100	▲0.7%	▲1,100	▲8.0%
Health Care and Social Assistance	12.1%	147,400	148,000	140,800	▼600	▼0.4%	▲6,600	▲4.7%
Arts and Entertainment	0.9%	10,300	10,400	10,300	▼100	▼1.0%	◀0	◀0.0%
Accommodation and Food Services	10.5%	126,100	126,700	125,000	▼600	▼0.5%	▲1,100	▲0.9%
Other Services	3.3%	39,900	39,900	39,600	◀0	◀0.0%	▲300	▲0.8%
Government	20.1%	241,400	241,600	238,900	▼200	▼0.1%	▲2,500	▲1.0%

^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

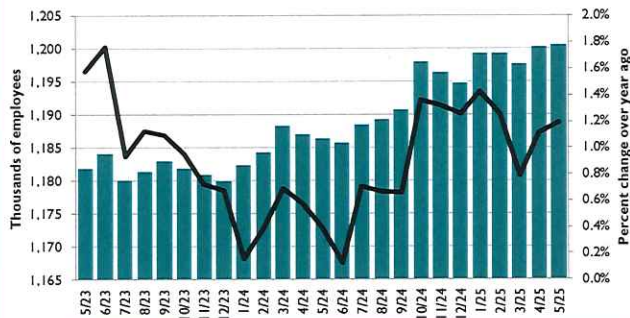


Figure 24b. Mining and Logging

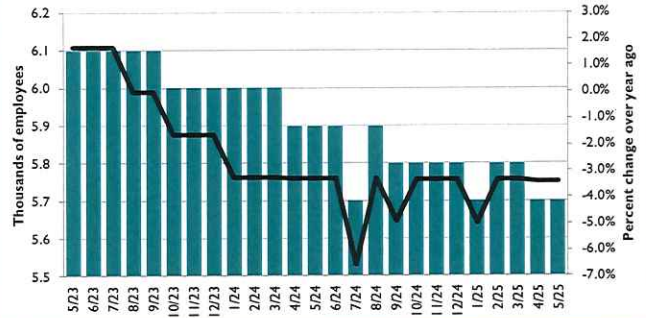


Figure 24c. Construction

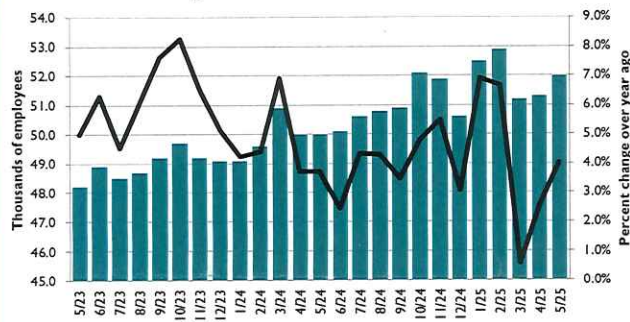


Figure 24d. Manufacturing

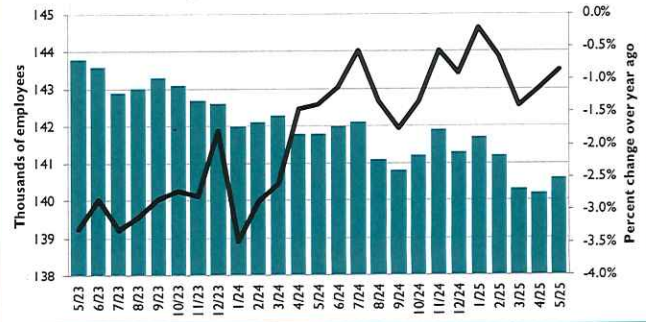


Figure 24e. Trade, transportation, and utilities

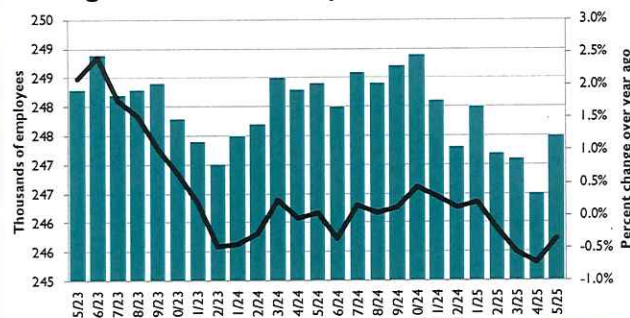


Figure 24f. Information

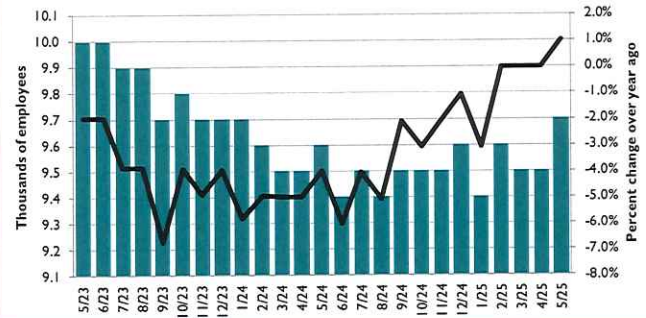


Figure 24g. Financial activities

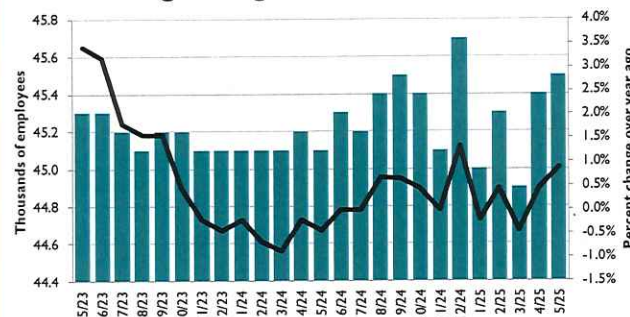
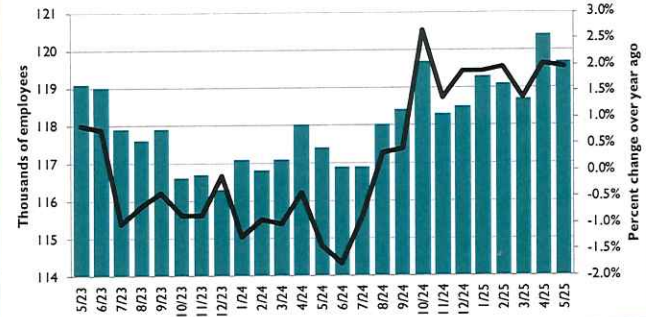


Figure 24h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

Figure 24i. Educational services

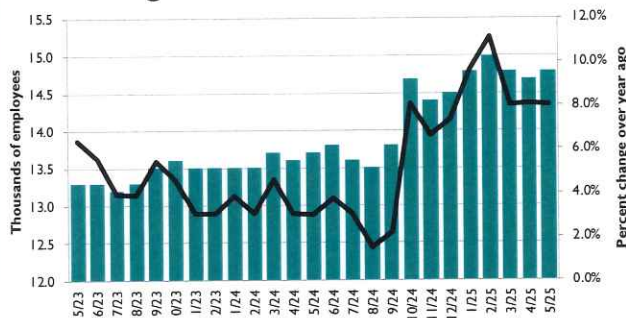


Figure 24j. Health care and social assistance



Figure 24k. Arts and entertainment

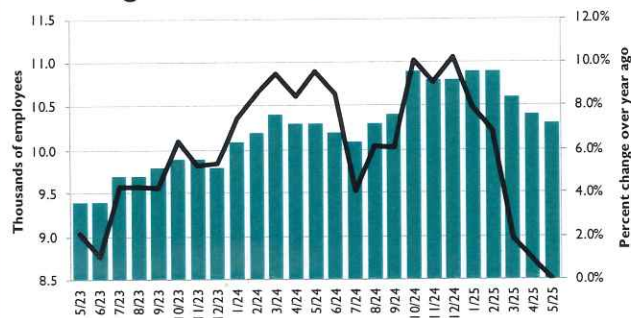


Figure 24l. Accommodation and food services

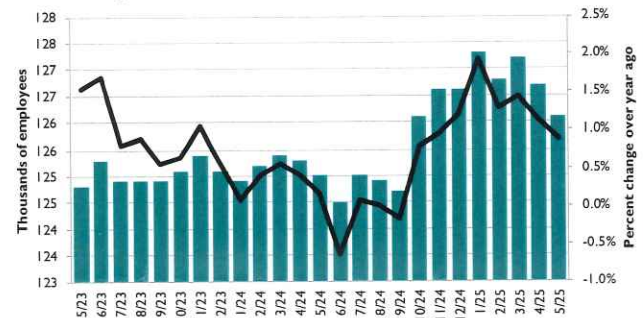


Figure 24m. Other services

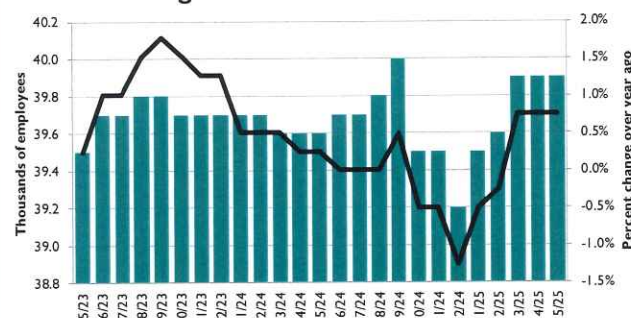


Figure 24n. Federal government

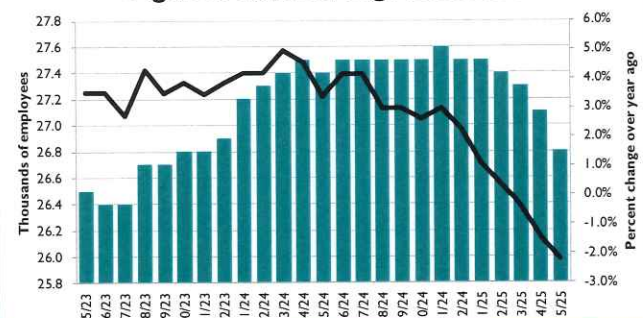


Figure 24o. State government

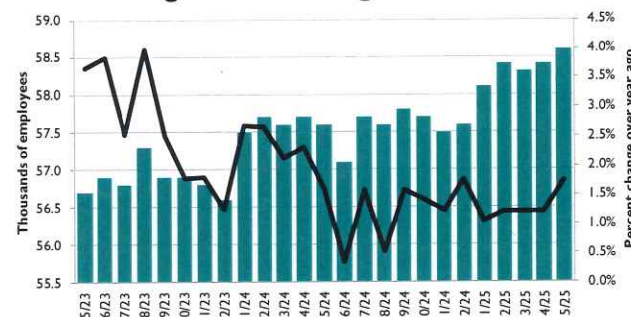
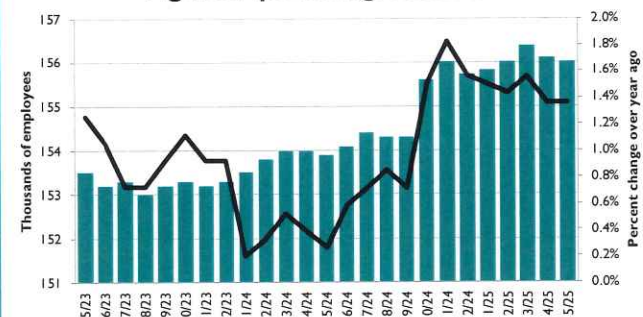


Figure 24p. Local government



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

CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2025

The U.S. Bureau of Economic Analysis (BEA) released annualized estimates of the change in real gross domestic product (GDP) by state for the first quarter of 2025 in late June. (An annualized estimate is the actual change multiplied by four.) Real GDP expanded in eleven states in the first quarter. Real GDP for Mississippi expanded at an annualized rate of 0.7 percent in the first quarter, which ranked sixth among all states. The change in Mississippi real GDP in the fourth quarter of 2024 remained an increase of 4.2 percent.

Table 3 lists the contributions by sector to the 0.7 percent increase in Mississippi's real GDP in the first quarter of 2025 from largest to smallest. (BEA only includes the changes in major industries in its preliminary estimates.) The Agriculture, Forestry, Fishing, and Hunting sector made the largest positive contribution among all sectors in the first quarter of 0.83 percentage points. The Government sector followed with the next largest contribution, which increased output by 0.30 percentage point. The Construction sector made the next largest positive contribution of 0.27 percentage point. The next largest positive contribution to the change in real GDP in the second quarter of 0.25 percentage point came from the Information sector. The Utilities sector made the next largest positive contribution to the increase in real GDP of 0.15 percentage point.

The 0.06 percentage point contribution of the Manufacturing sector was the next largest. The Accommodation and Food Services sector followed with a positive contribution of 0.04 percentage point. The only other sector that made a positive contribution to the change in real GDP in the first quarter was Finance, Insurance, Real Estate, and Rental and Leasing, which added 0.01 percentage point.

The Wholesale Trade sector made the largest negative contribution to real GDP growth in Mississippi in the first quarter, which subtracted 0.53 percentage point. The second

largest negative contribution of -0.12 percentage point was shared by the Other Services sector, the Mining, Quarrying, and Oil and Gas Extraction sector, and the Health Care and Social Assistance sector. The Transportation and Warehousing sector closely followed with the next largest negative contribution of -0.11 percentage point. The next largest negative contribution of -0.08 percentage point was made by the Retail Trade sector. Five other sectors made negative contributions to real GDP growth in the first quarter of less than -0.05 percentage point.

Table 3. Contributions to percent change in Mississippi real GDP by sector, first quarter 2025

Sector	Percentage points
Agriculture, forestry, fishing, and hunting	0.83
Government	0.30
Construction	0.27
Information	0.25
Utilities	0.15
Manufacturing	0.06
Accommodation and food services	0.04
Finance, insurance, real estate, and rental and leasing	0.01
Educational services	-0.02
Management of companies and enterprises	-0.03
Professional, scientific, and technical services	-0.04
Arts, entertainment, and recreation	-0.04
Administrative and support and waste management	-0.04
Retail trade	-0.08
Transportation and warehousing	-0.11
Health care and social assistance	-0.12
Mining, quarrying, and oil and gas extraction	-0.12
Other services	-0.12
Wholesale trade	-0.53
Total	0.7%

Source: U.S. Bureau of Economic Analysis.

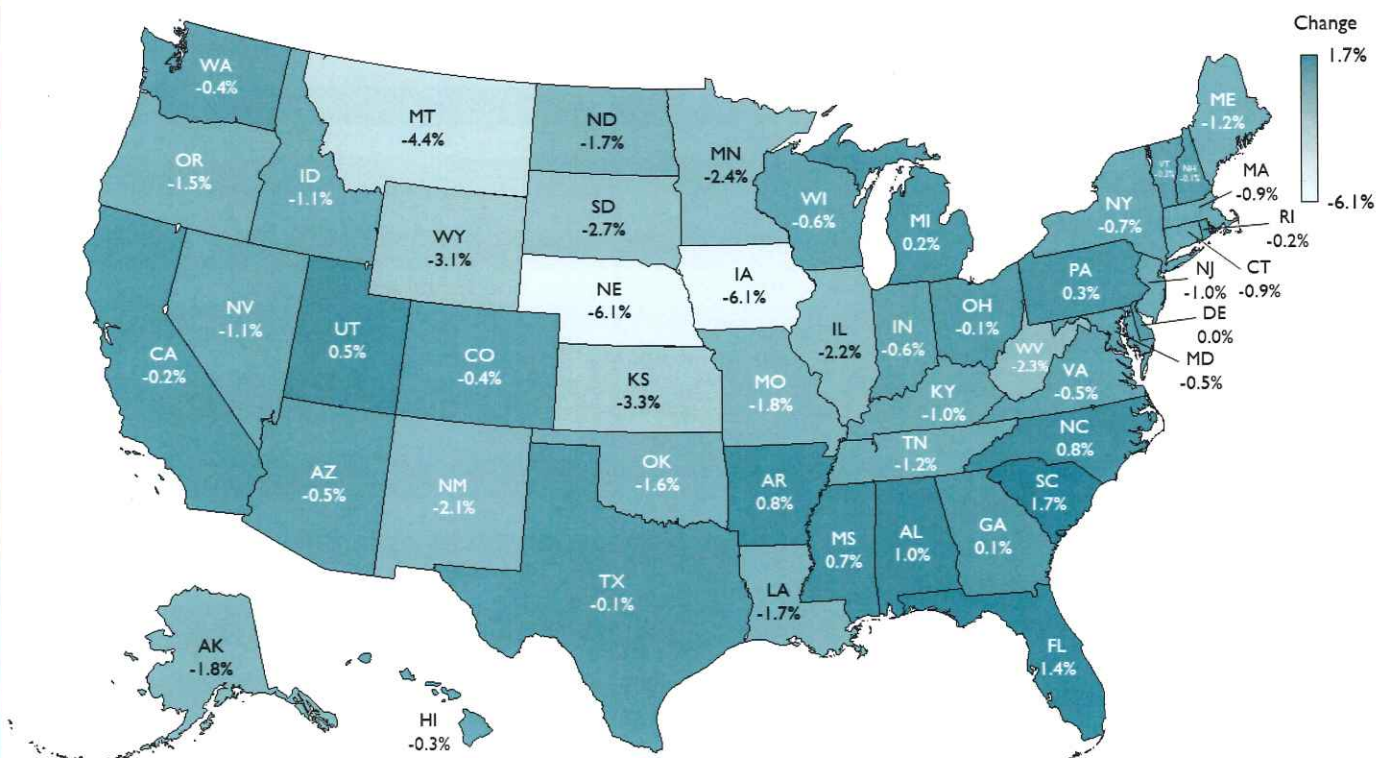
CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2025 (CONTINUED)

Figure 25 depicts the annualized change in real GDP by state in the first quarter of 2025 as reported by BEA. The largest increase in real GDP in the first quarter among all states occurred in South Carolina, where real GDP expanded at an annualized rate of 1.7 percent. The state with the next largest increase in real GDP in the first quarter was Florida, where real GDP grew at an annualized rate of 1.4 percent. Real GDP in Alabama expanded at an annualized rate of 1.0 percent in the first quarter, the next largest increase. The Real Estate and Rental and Leasing sector made the largest contribution to growth in South Carolina and made positive contri-

butions in all fifty states. While the Agriculture, Forestry, Fishing, and Hunting sector was the largest contributor to growth in Mississippi in the first quarter, the sector decreased in thirty-nine states. Agriculture, Forestry, Fishing, and Hunting was the largest negative contributor in eleven states, including the four states with the largest contractions in real GDP in the first quarter: Nebraska, Iowa, Montana, and Kansas. The Finance and Insurance sector decreased in all fifty states and was the largest negative contributor in eighteen states. The Mining sector decreased in forty-three states and was the largest negative contributor in eight states.

As noted on page 1, U.S. real GDP contracted at an annualized rate of 0.5 percent in the first quarter, primarily because of the large increase in imports as firms and consumers attempted to avoid potential price increases due to tariffs. These increases in imports should be kept in mind when viewing the state-level real GDP data for the first quarter as well.

Figure 25. Annualized percent change in real GDP by state, 2025Q1



Source: U.S. Bureau of Economic Analysis.