Mississippi Economic Outlook

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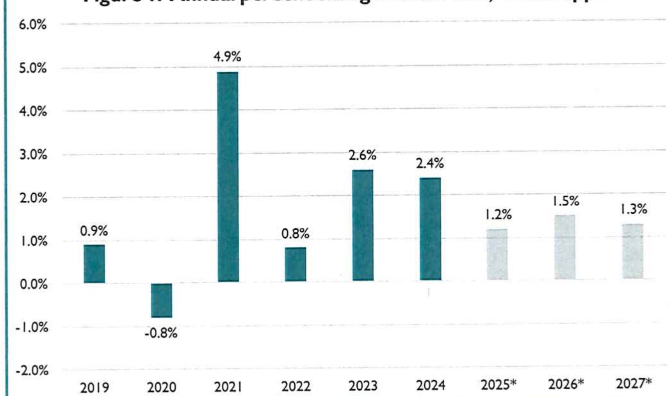
U.S., Mississippi Forecasts Improve as Tariff Impacts Remain Subdued

As seen in Figure 1, URC projects real gross domestic product (GDP) for Mississippi will expand 1.2 percent in 2025 in its latest forecast. This estimate represents an increase of 0.1 percentage point compared to the forecast of the previous quarter. URC's latest forecast estimates the Mississippi economy will grow 1.5 percent in 2026. Compared to the forecast of the previous quarter this estimate represents an increase of 0.3 percentage point. In 2027 real GDP for Mississippi is expected to expand 1.3 percent, which represents an increase of 0.1 percentage point from the forecast of the previous quarter. The slight improvements to these forecasts for the Mississippi economy reflect moderate upgrades to the estimates of U.S. real GDP growth. Compared to the forecast of the previous quarter, the projected average tariff rate is lower in the latest forecast. The national forecast assumes the so-called reciprocal tariffs will not return to the levels announced by the Trump administration on April 2. In addition, this quarter's forecast does not integrate the provisions of the recently enacted One Big Beautiful Bill Act. However, like the Spring 2025 national forecast, this quarter's forecast does incorporate assumptions about U.S. fiscal policy similar to those contained in the One Big Beautiful Bill Act.

U.S. real GDP will expand 1.4 percent in 2025 according to the latest forecast as seen in the fourth section of Table 1 on page 3. This projection is 0.1 percentage point higher than in the forecast of the previous quarter. In 2026, the U.S. economy is projected to grow 2.0 percent, which represents an increase of 0.5 percentage point from the forecast of the previous quarter. The latest forecast projects U.S. real GDP will increase 1.7 percent in 2027, an estimate that is 0.2 percentage point higher than in the previous quarter's forecast. A recovery in U.S. financial markets in recent months as well as reaching at least a temporary truce with China on trade terms pushed the 2026 and 2027 estimates higher, as these developments are assumed to persist through the forecast period.

Figure 1. Annual percent change in real GDP, Mississippi



*Projected. Sources: U.S. Bureau of Economic Analysis and URC.

URC projects personal income in Mississippi is expected to grow 5.0 percent in 2025. This estimate is 0.7 percentage point higher than in the forecast of the previous quarter. Transfer payments in the state are projected to grow 7.5 percent in 2025, an increase of 1.8 percentage points from the forecast of the previous quarter. Personal income in the state is forecast to grow 4.3 percent in 2026, the same as in the forecast of the previous quarter. URC expects personal income in Mississippi will increase 4.5 percent in 2027, a projection that is up 0.3 percentage point from the forecast of the previous quarter.

URC's latest forecast estimates payroll employment in Mississippi will rise 0.8 percent in 2025. This growth represents an increase of 0.6 percentage point from the previous quarter's forecast. In 2026, URC projects payroll employment in the state will rise 0.1 percent, which is an increase of 0.1 percentage point from the forecast of the previous quarter. Finally, payroll employment in Mississippi is expected to increase 0.2 percent in 2027, a forecast that is 0.3 percentage point higher compared to the previous quarter.

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Table 1. Baseline Mississippi and U.S. Forecasts

Variable	2024 Value	2024 Percent Change	Annual Forecasts 2025	2026	2027	Annualized Quarterly Forecasts 2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1
Mississippi Forecast													
Gross State Product (millions of current $)	157,491	4.2	5.4	4.4	3.4	4.8	5.9	4.5	4.5	3.8	3.6	3.6	3.2
Gross State Product (millions of 2017 $)	122,438	2.4	1.2	1.5	1.3	1.7	1.1	1.2	1.7	1.9	1.7	1.3	1.3
Agriculture, Forestry, Fishing, and Hunting	2,760	15.7	28.8	0.7	0.2	1.2	0.7	0.3	-2.0	3.7	2.4	-0.7	0.1
Mining and Oil and Gas Extraction	893	-4.7	-2.7	2.1	4.3	-1.3	1.3	0.7	2.3	3.1	3.1	6.1	1.7
Contract Construction	3,782	8.2	3.1	-0.5	-0.3	-3.0	-1.2	-0.6	-0.3	0.2	0.1	-0.4	-0.2
Manufacturing	18,216	1.8	1.2	1.4	1.7	0.7	0.7	0.9	1.2	2.4	2.3	1.1	2.0
Durable Goods	10,764	-1.3	1.0	1.5	1.9	0.9	0.7	0.7	1.3	2.7	2.6	1.4	1.9
Nondurable Goods	7,421	6.0	1.6	1.5	1.2	1.2	0.8	1.3	1.5	2.0	2.1	1.0	1.5
Transportation and Utilities	7,975	2.5	2.7	1.5	0.9	-0.6	1.2	1.4	2.2	1.3	1.6	1.4	1.1
Wholesale and Retail Trade	16,652	6.9	1.5	2.5	2.4	1.5	1.2	2.4	2.6	3.4	2.7	2.3	2.9
Information	2,834	-1.2	8.6	7.8	5.6	9.0	7.7	6.8	9.9	7.5	6.8	5.3	6.6
Finance, Insurance, and Real Estate	20,709	1.6	1.4	1.8	1.4	1.8	2.2	1.6	2.1	1.7	1.3	1.1	1.8
Professional and Business Services	10,441	2.8	1.7	0.6	0.5	3.1	1.1	0.2	0.4	0.3	0.3	0.5	0.5
Health Care and Social Assistance	10,012	2.4	3.5	3.9	2.3	5.3	4.5	4.6	4.2	3.4	2.6	2.0	2.9
Leisure and Hospitality	5,291	-1.2	-0.9	1.4	1.3	-4.1	-0.6	2.3	2.2	3.2	0.9	1.0	-0.1
Educational Services	761	-3.0	-1.4	1.5	2.5	0.0	1.8	1.8	2.0	0.7	1.0	2.7	3.5
Other Services	2,374	-4.9	-2.8	0.3	0.2	-0.6	-0.5	0.4	0.9	0.5	0.2	0.1	0.6
Government	19,912	0.5	1.2	0.0	0.4	-0.5	-0.9	-1.3	0.2	1.2	1.2	0.3	-0.2
Payroll Employment (thousands)													
Residents	1,231.2	1.8	0.8	-0.4	-0.3	0.3	-1.0	-0.5	-0.3	-0.4	-0.2	-0.2	-0.3
Payroll	1,189.2	0.7	0.8	0.1	0.2	0.3	-0.1	-0.4	0.0	0.3	0.4	0.3	0.2
Mining and Oil and Gas Extraction	5.9	-3.7	-2.4	0.3	1.8	-3.2	-0.1	0.2	0.0	0.9	1.7	1.5	1.1
Contract Construction	50.6	4.2	3.2	0.3	0.6	-1.1	0.6	0.8	0.1	0.0	0.7	0.8	0.3
Manufacturing	141.7	-1.6	-0.9	-1.4	-0.3	-0.8	-1.3	-2.4	-3.1	0.6	0.0	-0.6	-0.5
Durable Goods	90.9	-2.3	-1.6	-1.9	-0.4	-2.4	-1.0	-3.3	-4.5	1.2	0.2	-1.0	-0.7
Nondurable Goods	50.8	-0.4	0.5	-0.5	-0.3	2.1	-1.0	-1.0	-0.5	-0.5	-0.3	-0.2	-0.2
Transportation and Utilities	72.5	-0.5	-0.7	0.7	0.3	-1.7	0.8	0.8	1.1	0.7	1.0	1.1	0.3
Wholesale and Retail Trade	175.7	0.2	-0.1	0.0	0.3	0.3	0.3	-0.3	-0.4	-0.1	0.9	0.1	0.7
Information	9.5	-4.0	0.8	2.4	-2.2	3.7	3.1	0.4	6.0	2.5	-0.5	-3.1	-2.1
Finance, Insurance, and Real Estate	45.3	0.1	-0.1	0.9	0.5	2.1	-0.4	0.9	1.8	0.0	1.0	0.6	0.8
Professional and Business Services	117.8	-0.1	1.3	-0.9	-0.8	2.1	-0.5	-1.4	-1.2	-1.0	-0.8	-0.8	-1.1
Health Care and Social Assistance	141.7	3.1	3.8	2.8	1.3	5.6	4.4	3.7	2.4	2.3	0.8	1.5	1.7
Leisure and Hospitality	135.8	0.9	0.8	0.5	0.1	-3.6	-0.9	0.9	1.6	0.8	-0.1	1.1	-0.4
Educational Services	13.9	4.2	6.5	-2.2	-0.7	-2.6	-1.1	-1.7	-2.4	-3.3	-2.4	-0.9	-0.2
Other Services	39.6	0.0	0.4	0.3	0.9	1.4	0.7	-0.1	0.3	0.2	0.1	0.1	1.8
Government	239.5	1.3	0.5	-0.4	0.1	-0.7	-1.1	-1.9	0.1	0.3	0.2	0.2	-0.2
Unemployment Rate (%)*, †	3.2	0.1	1.0	0.5	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Personal Income (millions of current $)													
Wages and Salaries	65,454	4.5	3.6	3.5	3.6	4.1	3.6	3.1	3.9	3.3	2.9	4.1	3.3
Supplements to Wages and Salaries	15,794	5.2	4.4	3.0	2.8	4.3	3.7	2.5	3.3	2.6	2.5	2.7	2.7
Proprietors' Income	10,293	1.6	7.5	5.4	5.6	-13.6	2.3	5.4	8.2	9.4	7.1	6.1	5.3
Farm Proprietors'	717	-29.7	42.8	-7.0	22.7	-83.6	-52.0	18.2	15.4	32.6	22.5	34.2	26.1
Non-farm Proprietors'	9,576	5.2	4.3	6.7	4.6	5.3	3.8	4.5	9.2	9.1	5.3	6.4	4.0
Dividends, Interest, and Rent	25,482	4.1	2.8	4.3	5.3	1.8	4.1	2.7	4.8	5.6	5.0	5.0	5.9
Personal Current Transfer Receipts	42,407	6.0	7.5	4.8	4.6	7.8	-0.3	5.6	7.4	3.9	4.0	4.1	6.1
Less: Contributions for Government Social Insurance	11,376	3.3	3.5	2.9	2.7	3.6	2.6	2.0	4.3	2.6	2.9	1.5	3.8
Plus: Adjustment for Residence	5,036	6.6	4.6	4.3	4.0	5.1	5.3	4.9	3.9	3.8	3.8	4.3	3.5
Equals: Total Personal Income	153,089	4.9	5.0	4.3	4.5	3.3	3.0	3.9	5.6	4.4	4.0	4.6	4.8
Less: Personal Current Taxes to Federal Government	8,846	5.0	6.7	-1.3	3.1	3.9	3.5	3.0	-13.7	3.0	3.1	3.1	2.5
Less: Personal Current Taxes to State and Local Governments	3,095	7.2	7.3	4.4	4.7	3.2	4.0	4.0	5.4	4.5	4.0	4.7	5.1
Equals: Disposable Personal Income	141,179	4.8	4.8	4.8	4.5	3.3	2.9	4.0	7.7	4.4	4.0	4.7	4.8
Per Capita Personal Income (thousands of $)	52.02	4.9	5.1	4.5	4.6	3.4	3.1	4.1	5.8	4.6	4.1	4.7	4.9
Population (thousands)	2,943	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
U.S. Forecast													
Gross Domestic Product (billions of current $)	29,185	5.3	4.6	4.8	3.7	4.4	5.8	5.1	5.0	4.4	4.1	3.9	3.4
Gross Domestic Product (billions of 2017 $)	21,715	2.8	1.4	2.0	1.7	1.3	1.2	1.8	2.2	2.5	2.2	1.6	1.6
GDP Deflator (Nominal GDP ÷ Real GDP × 100)	134.4	2.4	3.1	2.7	2.0	3.0	4.5	3.2	2.7	1.8	1.9	2.3	1.7
Total Employment, Residents (millions)*	161.3	0.2	1.4	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Total Payroll Employment (millions)*	158.0	1.3	1.1	0.3	0.3	0.3	0.2	0.0	0.1	0.1	0.1	0.1	0.1
Unemployment Rate (%)*, †	4.0	0.4	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Personal Income (billions of current $)	24,658	5.4	4.8	5.0	5.2	4.9	3.7	4.0	6.4	5.4	4.8	5.3	5.9
Per Capita Personal Income (thousands of $)	72.4	4.4	4.3	4.8	4.9	4.4	3.3	3.7	6.1	5.2	4.6	5.0	5.6
Consumer Price Index (1982-84 = 100)	2.9	-1.2	2.7	2.4	2.3	1.8	3.1	2.3	2.3	2.3	2.3	2.6	2.2
Prime Rate (%)†	8.3	0.1	-0.8	-0.9	-0.6	0.0	0.0	-0.1	-0.4	-0.3	-0.3	-0.3	-0.2

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