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

## ECONOMY AT A GLANCE

*Editor's note: The delay of some data continues due to the federal government shutdown in late 2025, including leading indicators data. Therefore, the value of the Mississippi Leading Index for January is not included in this month's issue. Employment data are not included in this month's issue due to annual revisions by the U.S. Bureau of Labor Statistics.*

Values of the Mississippi Coincident Index through January were not available at the time of publication due to annual revisions by the Federal Reserve Bank of Philadelphia.

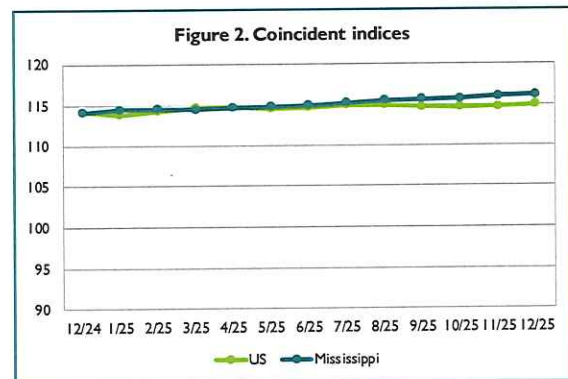
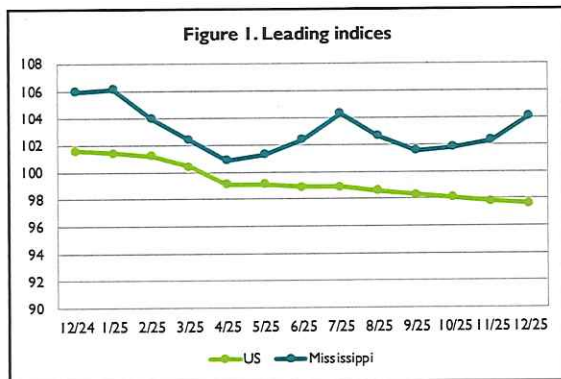
In its initial estimate, the U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) increased at a seasonally adjusted, annualized rate of 1.4 percent in the fourth quarter of 2025. Consumer spending and investment made positive contributions to real GDP growth in the fourth quarter that were partially offset by negative contributions from government spending and net exports. BEA estimated the federal government shutdown in October and November reduced real GDP growth in the fourth quarter by about 1.0 percentage point. For all of 2025, U.S. real GDP expanded at a rate of 2.2 percent.

The limited available indicators data in January were mixed. However, these data were more backward looking than usual, as most observations occurred before the Supreme Court ruling on tariffs and the beginning of conflict with Iran. Nevertheless, based on the available information the Mississippi economy appears stable at present, particularly the state's labor market. Uncertainty is relatively high, however, and until more clarity regarding policy risks to the state and national economies is achieved, the outlook will remain cloudy.

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*Monitoring the state's economy*



**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 INDICATORS, JANUARY 2025

As seen in Figure 4, the number of seasonally-adjusted **initial unemployment** claims in Mississippi tumbled 19.3 percent in January to the lowest level since March 2022. Compared to one year earlier the value for the month was 13.2 percent lower, the ninth consecutive month with a year-over-year decrease. Figure 16 on page 6 indicates the number of seasonally-adjusted continued unemployment claims in Mississippi fell 9.2 percent in January to the lowest level since July 2025. The number of continued unemployment claims in the state for the month was 9.6 percent lower compared to one year earlier.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) rose 3.5 percent in January as seen in Figure 5, its third consecutive monthly increase. Compared to one year earlier the value for the month was down 19.8 percent. The recent moderation in the overall level of inflation likely drove much of the increase, along with stock market gains. Short-term (one-year) inflation expectations fell for the sixth consecutive month to their lowest level in over a year. Long-term (five-year) inflation expectations, on the other hand, were unchanged in the most recent survey.

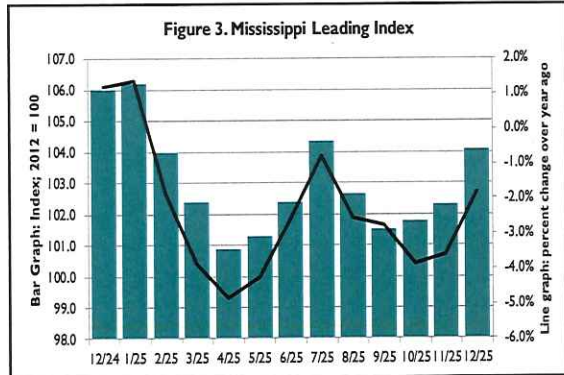
The value of **U.S. retail sales** fell 0.2 percent in January as seen in Figure 6. Compared to one year ago the value of retail sales in January was 3.2 percent higher. The value of sales excluding automobiles and gasoline was up 0.3 percent. The largest increase among all segments for the month occurred in Nonstore Retailers. The largest decrease among all segments in January occurred at Gasoline Stations.

In February the value of the **ISM Index of U.S. Manufacturing Activity** edged down 0.4 percent as seen in Figure 7. Nevertheless, the value remained above the expansion threshold of 50.0 for only the third time in the last forty months. Compared to one year earlier the value for the month was up 4.2 percent. Despite the overall decrease, three of the five components increased in value in February. The Inventories component had the largest increase for the month, while Production had the largest decrease. The prices paid index surged in February to its highest level since June 2022. Commodities reported up in price in January included aluminum, steel, brass, copper, gold, critical minerals, and natural gas. Freight was the only commodity reported down in price for the month. As in the previous month, electrical components, electronic components, rare earth components, and memory were reported in short supply.

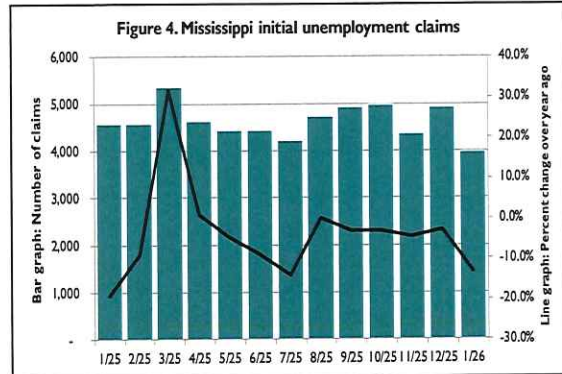
Figure 8 indicates the value of **Mississippi income tax withholdings** (three-month moving average) fell 1.8 percent in January, its fifth decrease in the last six months. The value of withholdings for the month was 8.2 percent lower compared to one year earlier, the twelfth consecutive month with a year-over-year decrease. The value of income tax withholdings in Mississippi tumbled 5.0 percent over the last six months.

Data for the values of the **Mississippi Manufacturing Employment Intensity Index** and **Mississippi residential building permits** for January were unavailable at the time of publication.

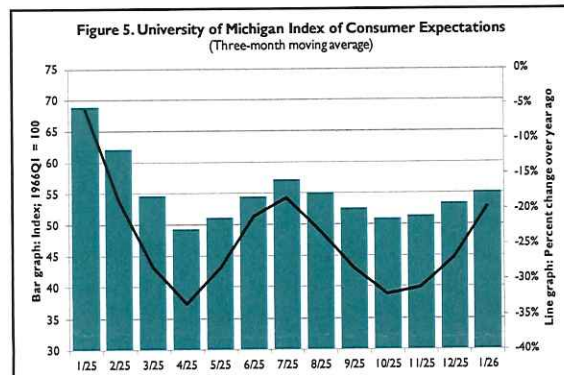
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



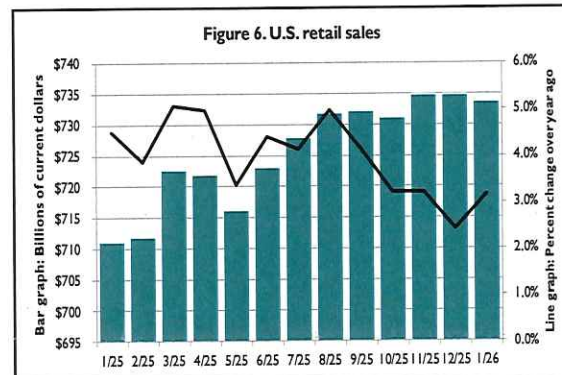
Source: University Research Center



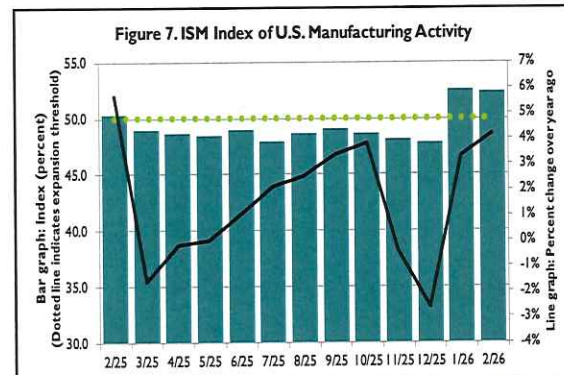
Sources: ETA, U.S. Department of Labor; URC (seasonal adjustment)



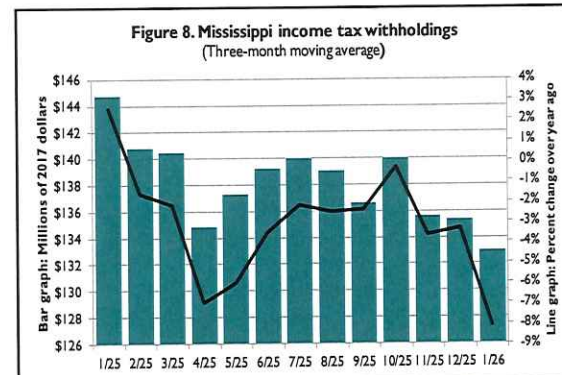
Source: Thomson Reuters/University of Michigan Surveys of Consumers



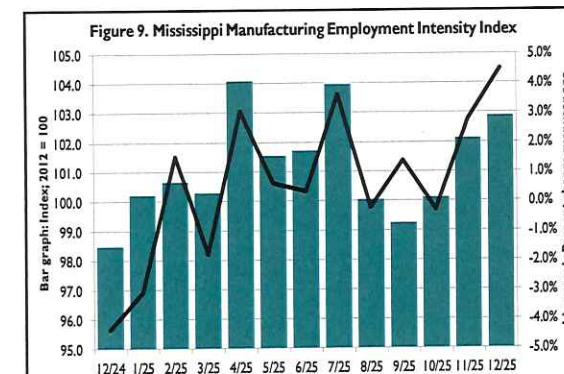
Source: U.S. Bureau of the Census, seasonally adjusted



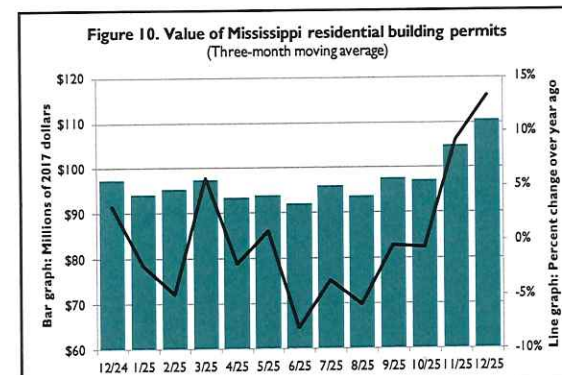
Source: Institute for Supply Management



Sources: Mississippi Department of Revenue; URC (seasonal adjustment)



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



Sources: U.S. Bureau of the Census; URC (seasonal adjustment)

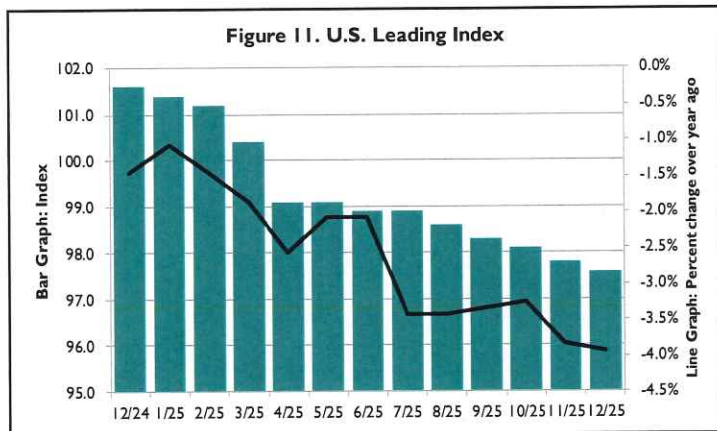
## NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.2 percent in December as seen in Figure 11, the fifth consecutive monthly decrease. Compared to one year ago the value for the month was 3.7 percent lower. Four of the ten components of the LEI made negative contributions in December, and the largest negative contribution was made by average consumer expectations for business conditions. Building permits made the largest positive contribution. Over the previous six months the value of the LEI fell 1.2 percent.

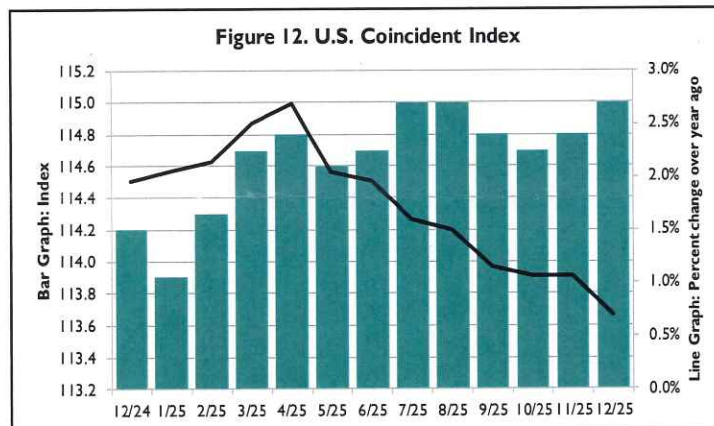
The value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in December according to The Conference Board. As seen in Figure 12, the value of the CEI was 1.0 percent higher compared to one year earlier. Three of the four components of the CEI made positive contributions in December. Personal income less transfer payments made the largest contribution while the number of employees on nonagricultural payrolls was unchanged. The value of the CEI increased 0.3 percent over the previous six months.

In January the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index edged down 0.2 percent as seen in Figure 13. The value of the Index was 3.4 percent lower compared to one year earlier, the third consecutive month with a year-over-year decrease. Seven of the ten components decreased in January. The “expect economy to improve” component had the largest decrease while the “expect real sales higher” component had the largest increase. After declining the previous month the uncertainty index rose in January and considerably exceeds the long run average.

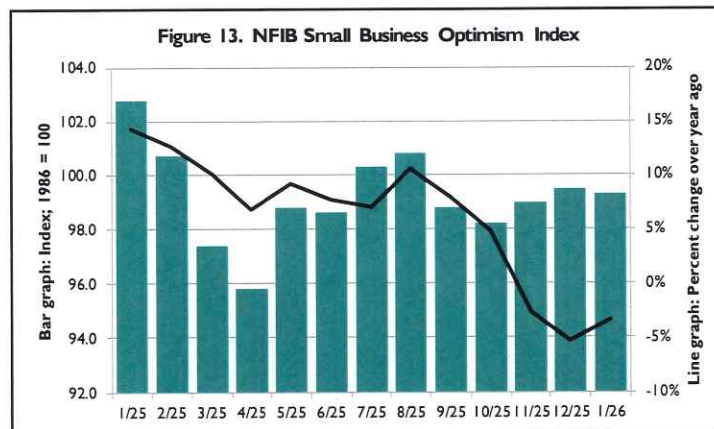
The onset of conflict with Iran at the end of February created more uncertainty for members of the Federal Open Market Committee (FOMC) to deal with prior to this month’s meeting. In all likelihood, too much information will still be in flux when the FOMC meets on March 17 and 18. That increases the chances the federal funds rate target will remain unchanged following the meeting. Higher oil prices could lead to higher inflation, but the shock from war could also reduce consumer spending. The FOMC is unlikely to act until members know which of these, if either, is occurring.



Source: The Conference Board

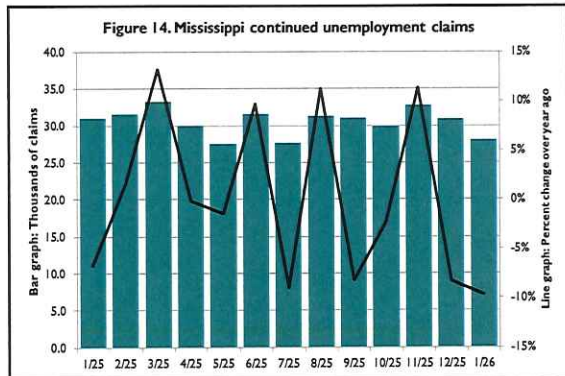


Source: The Conference Board

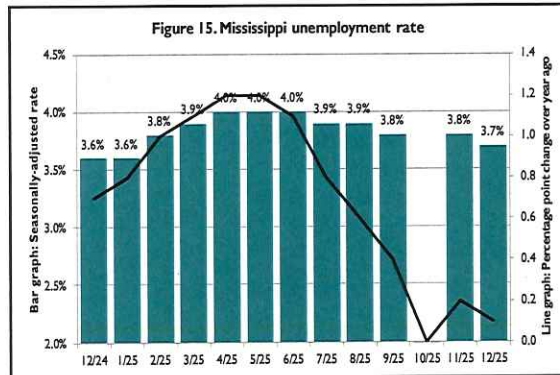


Source: National Federation of Independent Businesses

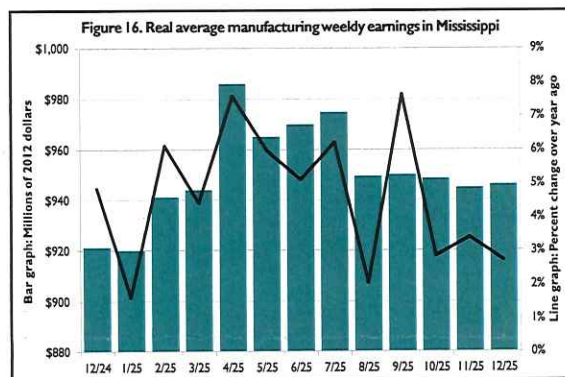
# MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



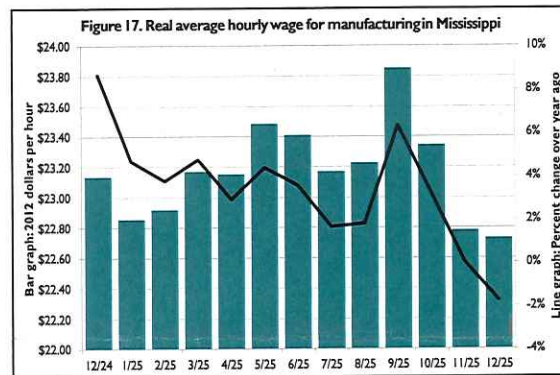
Sources: ETA, U.S. Bureau of Labor Statistics; URC (seasonally adjusted)



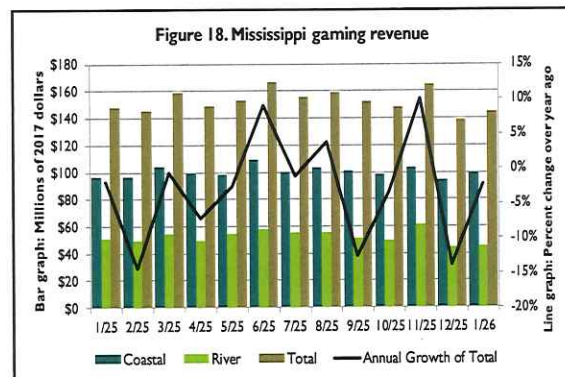
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



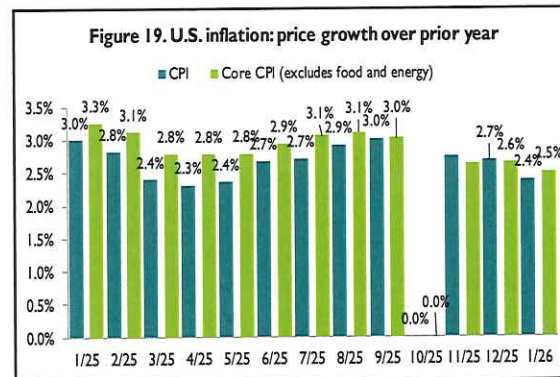
Source: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



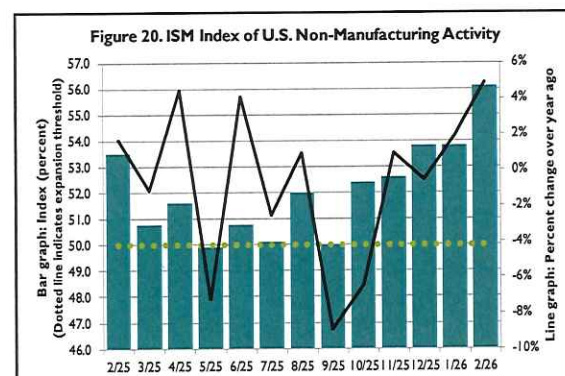
Source: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



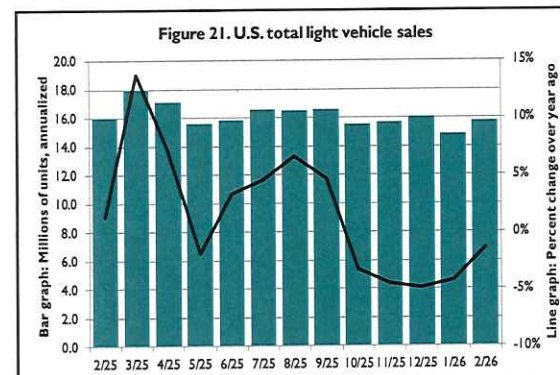
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: U.S. Bureau of Economic Analysis

**Table I. Selected Economic Indicators**

Indicator	January	December	January	Percent change from	
	2026	2025	2025	December 2025	January 2025
<b>U.S. Leading Economic Index</b> 2017 = 100. Source: The Conference Board	N/A	97.6	101.4	N/A	N/A
<b>U.S. Coincident Economic Index</b> 2017 = 100. Source: The Conference Board	N/A	115.0	113.9	▲0.2%	▲1.0%
<b>Mississippi Leading Index</b> 2017 = 100. Source: University Research Center	N/A	104.1	106.2	N/A	N/A
<b>Mississippi Coincident Index</b> 2017 = 100. Source: Federal Reserve Bank of Philadelphia	N/A	116.2	114.5	N/A	N/A
<b>Mississippi Initial Unemployment Claims</b> Seasonally adjusted. Source: ETA, U.S. Department of Labor.	3,955	4,899	4,557	▼19.3%	▼13.2%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: U.S. Bureau of the Census	N/A	110.4	94.2	N/A	N/A
<b>Mississippi individual income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	133.0	135.4	144.8	▼1.8%	▼8.2%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2017 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	N/A	102.9	100.2	N/A	N/A
<b>University of Michigan Index of Consumer Expectations</b> Three-month moving average; 1996Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	55.3	53.4	68.9	▲3.5%	▼19.8%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	52.4	52.6	50.3	▼0.4%	▲4.2%
<b>U.S. Retail Sales</b> Current dollars. Source: U.S. Bureau of the Census	733.5	734.7	711.1	▼0.2%	▲3.2%
<b>U.S. Consumer Price Index (CPI)</b> <b>U.S. Core CPI (excludes food and energy)</b> 1982-84 = 100. Source: U.S. Bureau of Labor Statistics	325.3 332.0	324.1 330.5	315.6 322.0	▲0.4% ▲0.4%	▲3.1% ▲3.1%
<b>Mississippi unemployment rate</b> Percentage point change; seasonally adjusted. Source: U.S. Bureau of Labor Statistics	N/A	3.7%	3.6%	N/A	N/A
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: ETA, U.S. Department of Labor	28,120	30,965	31,118	▼9.2%	▼9.6%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	56.1	53.8	53.5	▲4.3%	▲4.9%
<b>U.S. Mortgage Rates</b> Percentage point change; seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.30%	6.03%	6.83%	▲0.27	▼0.53
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	N/A	22.73	22.86	N/A	N/A
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	N/A	946.24	920.01	N/A	N/A
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	99.3	99.5	102.8	▼0.2%	▼3.4%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.75	14.82	15.97	▲6.3%	▼1.4%
<b>Gaming revenue</b> Coastal counties River counties Seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	144.59 99.25 45.34	138.71 94.27 44.45	148.0 96.4 51.6	▲4.2% ▲5.3% ▲2.0%	▼2.3% ▲3.0% ▼12.1%

Economic Indices

Miscellaneous Indicators

## CHANGE IN REAL INCOME BY STATE IN 2024

Real income in Mississippi rose 2.0 percent in 2024 according to the latest estimate from the U.S. Bureau of Economic Analysis (BEA). The increase in 2024 followed a 2.5 percent increase in 2023. The growth of 2.0 percent in 2024 was the same as the increase in West Virginia and ranked thirtieth among all states. U.S. real income increased 2.9 percent in 2024, up slightly from the 2.6 percent increase in 2023. Figure 22 indicates real income increased in forty-six states in 2024 and the largest increase was the 5.5 percent growth in California, followed by the 5.0 percent growth in Washington. Real income decreased in four states in 2024, and North Dakota had the largest decrease of 2.2 percent. Mississippi was one of ten states where the increase in real income in 2024 ranged from 2.0 percent to less than 3.0 percent. In nineteen states, the increase was less than 2.0 percent.

BEA also released regional price parities (RPPs) for 2024 along with the real income data. RPPs account for differences in the price level across states each year. By construction the value of the RPP for the U.S. equals 100.0 and the values for each state are expressed as percentages of the U.S. value. Therefore, RPPs represent a method of measuring the relative cost of living in each state.

Table 2 at right lists the values of the RPPs for each state for 2024. The relative RPP rankings among most states typically change little from the previous year. A few states saw notable changes, however. For the third consecutive year, California had the highest RPP among all states in 2024. The value of its RPP decreased approximately 1.5 percentage points from 2023. The RPP value of 110.7 for California means that, on average, all items sold in the state in 2024 cost 10.7 percent more than the U.S. average. For the second time in the last three years, Mississippi did not have the lowest RPP value among all states. The state with the lowest RPP value in the nation was in 2024 was Arkansas. The value of the RPP for Arkansas equaled 86.9, which was a slight increase of 0.1 percentage point from the previous year. This value means that on average all items sold in Arkansas in 2024 cost 13.1 percent less than the U.S. average, analogous to the interpretation of the RPP for California relative to the U.S. The RPP for Mississippi closely followed with a value of 87.0, the next lowest after Arkansas and forty-ninth among all states. The value of the RPP for Mississippi in 2024 was approximately 0.1 percentage point less than in the previous year. Other southeastern states with relatively low RPPs in 2024 included Alabama, Louisiana, and Oklahoma. As in most years, Florida had the highest-valued RPP among all southeastern states, and its ranking rose to tenth among all states. Sixteen states and the District of Columbia had RPPs with values greater than 100.0 in 2024, the same as in the previous year. The RPP values for these states indicate their relative cost of living was higher than the U.S. average. The value of the RPP for neighboring Tennessee decreased slightly in 2024, but the state moved up in the rankings to thirty-third from thirty-seventh in 2023. The rankings of the RPPs for the other states that border Mississippi—Alabama, Arkansas, and Louisiana—changed only by one spot in 2024.

States with some of the largest metropolitan areas in the country tend to have the highest RPP values because of the way BEA computes the RPP. The RPP calculation assigns weights to the values making up an individual's total expenditures, and in general housing costs represent an individual's largest single expenditure. The primary reason the cost of living is relatively higher in states with large metropolitan areas, therefore, is that the cost of housing in these areas is higher. More rural states like Arkansas and Mississippi tend to have lower housing costs, which result in lower total RPP values compared to other states.

Once BEA adjusts the incomes in each state for RPPs, the agency adjusts these incomes for inflation using the national Personal Consumption Expenditures (PCE) price index. The PCE is similar to the better-known Consumer Price Index (CPI) but is generally considered more comprehensive. The PCE uses more expenditures compared to the CPI and weights their values according to surveys of businesses as opposed to consumers. In general, the value of the CPI runs higher than the value of the PCE.

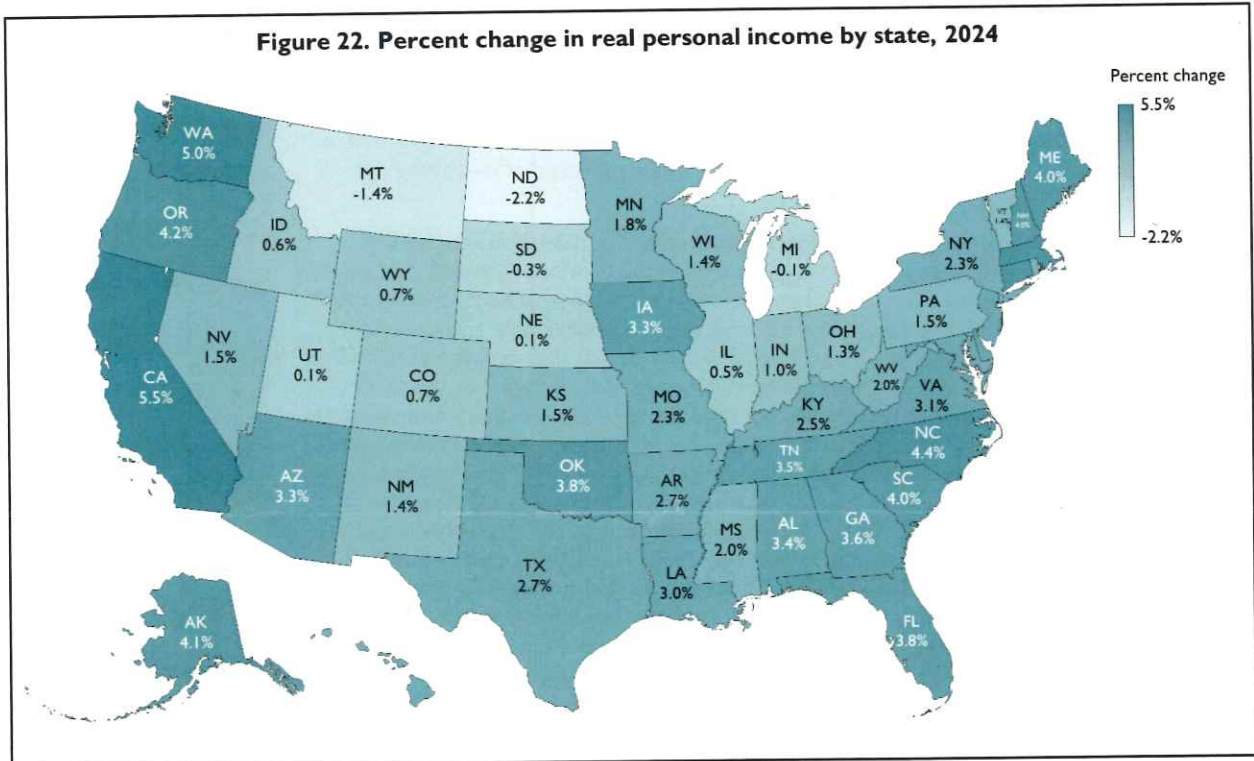
**Table 2. Regional price parities by state, 2023**

California	110.7
Hawaii	110.0
New Jersey	108.8
New York	107.9
Washington	107.0
Massachusetts	105.6
Maryland	105.0
New Hampshire	104.2
Connecticut	103.6
Florida	103.4
Oregon	103.4
Colorado	103.0
Alaska	102.4
Rhode Island	102.3
Virginia	101.1
Arizona	100.7
Nevada	100.0
Illinois	100.0
Delaware	99.8
Utah	98.9
Minnesota	98.6
Vermont	98.0
Pennsylvania	97.6
Texas	97.1
Maine	97.1
Georgia	96.3
Michigan	96.2
Idaho	95.5
Montana	94.6
North Carolina	94.3
Wisconsin	94.1
South Carolina	93.7
Indiana	93.3
Ohio	92.8
Wyoming	92.7
New Mexico	92.2
Tennessee	91.9
Missouri	90.8
Kentucky	90.2
Nebraska	90.1
Kansas	90.1
West Virginia	89.5
North Dakota	89.0
Alabama	88.8
South Dakota	88.6
Louisiana	88.2
Oklahoma	87.8
Iowa	87.8
Mississippi	87.0
Arkansas	86.9

Source: U.S. Bureau of Economic Analysis.

## CHANGE IN REAL INCOME BY STATE IN 2024 (CONTINUED)

Another measure of regional cost BEA includes in the data for each state is the implicit regional price deflator (IRPD). The IRPD for a state is found by multiplying its RPP by the U.S. PCE, which results in a price index for that state. Viewed over time, the IRPD essentially represents a measure of regional inflation through its adjustments of the PCE for each state. The IRPD value for the U.S. remains the same as its PCE of 2.5. The IRPD is considered an indirect measure of inflation because it is calculated from two existing values. In 2024 the value of the IRPD for Mississippi was 107.5, indicating regional inflation increased 2.8 percent from the previous year. This rate was slightly higher than the rate for the U.S.



Source: U.S. Bureau of Economic Analysis.