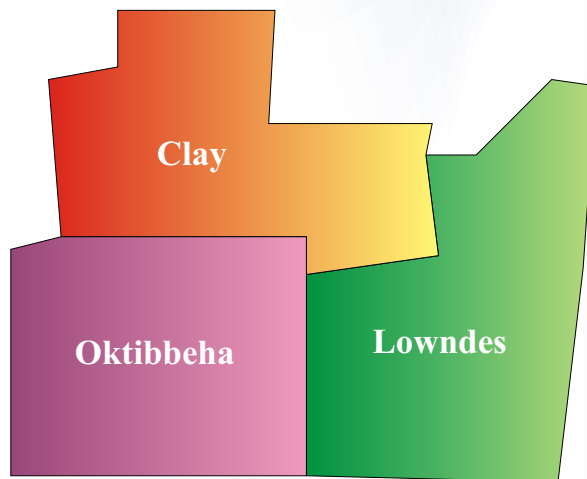


# Economic Synopsis



## Golden Triangle Region



# **Economic Synopsis**

## ***Golden Triangle Region***

Prepared for the

**Golden Triangle  
Development LINK**

1102 Main Street  
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Golden Triangle  
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## *Introduction*

The following is an Economic Synopsis for the Golden Triangle Regional economy.

This Synopsis is part of an effort by POLICOM Corporation to create an evaluation of the economic development program for the Region which will result in recommendations for the community to implement to improve the economy in the Region.

Much of the data and results in the Synopsis have been taken from a more comprehensive study entitled *Historical – Comparative Economic Analysis for the Golden Triangle Region*.

The *Historical – Comparative Study* includes three sections:

Section 1 presents the existing composition, impact, and history of several important economic categories. By viewing the charts and graphs provided, you can quickly discern what are the most important factors affecting the Region.

Section 2 examines the “Level of the Economy” by studying the growth in the “quality and size” of the economy as it influences the economic quality of life for the people living and working in the area.

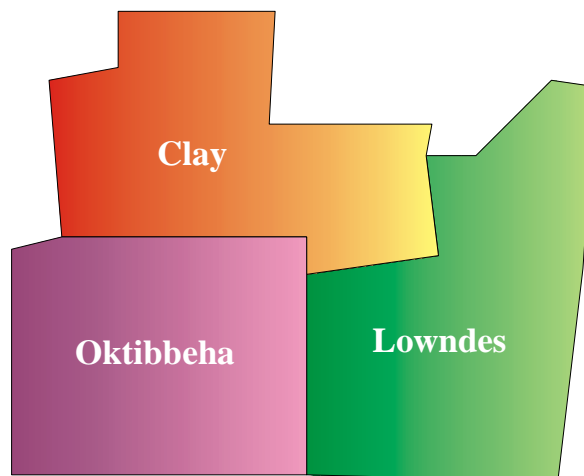
Section 3 compares the growth rate and economic importance of more than 60 items over several time periods to the rest of the nation and several other areas. Growth rates are provided for the Region and the three counties in the Region.

The *Historical – Comparative Study* is available in PDF format from the Golden Triangle Development [LINK](#).

## Golden Triangle Region

Overall, the Golden Triangle Regional economy can be characterized as “average” when compared to other rural economies in the United States. While the area has been successful in recruiting quality advanced manufacturing companies to the community, it still has chronically high welfare and unemployment.

The Golden Triangle Region is composed of three Mississippi counties: Clay, Lowndes, and Oktibbeha. While the area has been known as the “Golden Triangle” for many years, the Region was “formalized” as a result of uniting the counties under one economic development organization: the *Golden Triangle Development LINK*.



Until 2013<sup>1</sup>, each of the three counties was identified as Micropolitan Statistical Areas by the federal government.

The Office of Management and Budget identifies the economic statistical areas in the United States based upon population and commuting patterns. A Metropolitan Statistical Area must have a city with at least 50,000 people and be at least one county. A Micropolitan Statistical Area must have a city of 10,000 but less than 50,000 and must be one county.

For both Metropolitan and Micropolitan areas, a preponderance of the people (70%) must both live and work in the geographic area, forming a “contained” economy.

There are 576 Micropolitan and 366 Metropolitan areas in the United States. They are typically named after the largest city in the area.

Each year POLICOM Corporation ranks the Micropolitan and Metropolitan areas for “economic strength,” which is the long term tendency for an area to consistently grow in size and quality. Twenty-three economic factors are examined over a twenty-year time period.<sup>2</sup>

The following chart shows the economic strength ranking for the Micropolitan areas in Mississippi.

<sup>1</sup> In February of 2013, Clay County (West Point) lost its designation as a Micropolitan area. The reason is explained under “Clay County.”

<sup>2</sup> For the rankings for all Metropolitan and Micropolitan areas and the Methodology, please go to [www.policom.com](http://www.policom.com).

## Economic Strength Rankings - 576 Micropolitan Areas

Micropolitan Areas	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Oxford, MS	11	33	26	42	67	57	35	41	38	14
<b>Columbus, MS</b>	<b>24</b>	<b>46</b>	<b>57</b>	<b>77</b>	<b>100</b>	<b>174</b>	<b>211</b>	<b>257</b>	<b>322</b>	<b>374</b>
Tupelo, MS	56	65	104	124	84	60	58	35	34	18
Laurel, MS	63	66	88	134	103	113	117	83	110	110
Vicksburg, MS	144	143	102	46	66	62	59	38	65	89
Meridian, MS	148	138	147	131	221	161	87	55	92	138
<b>Starkville, MS</b>	<b>190</b>	<b>182</b>	<b>150</b>	<b>120</b>	<b>218</b>	<b>233</b>	<b>165</b>	<b>142</b>	<b>93</b>	<b>54</b>
Brookhaven, MS	224	180	210	216	226	180	121	97	49	31
Corinth, MS	257	283	322	345	350	405	375	334	337	319
Picayune, MS	349	346	395	387	485	406	313	258	184	129
<b>West Point, MS</b>	<b>369</b>	<b>329</b>	<b>406</b>	<b>355</b>	<b>481</b>	<b>467</b>	<b>466</b>	<b>426</b>	<b>345</b>	<b>370</b>
Greenwood, MS	372	390	455	451	444	490	476	483	493	482
McComb, MS	482	416	459	422	484	425	364	323	257	214
Cleveland, MS	484	491	530	548	535	554	558	555	556	532
Natchez, MS-LA	523	498	480	497	470	496	525	499	515	498
Yazoo City, MS	527	535	536	531	528	520	533	537	525	509
Grenada, MS	531	488	549	536	464	394	407	403	462	468
Greenville, MS	548	563	561	559	511	512	517	468	508	465
Clarksdale, MS	563	566	567	569	561	557	551	539	497	442
Indianola, MS	572	570	568	573	573	575	574	565	554	526

While the rankings are created using twenty-three economic issues, Oxford is ranked the highest principally because it has had the most consistent growth over the longest period of time. Additionally, its Per Capita Welfare is one of the lowest in the nation.

Columbus is ranked very high as a result of the growth in the quality of its economy (Wages and Per Capita Personal Income).

As previously mentioned, the economic statistical areas are principally defined by commuting or worker-flow patterns. Where people live and work determines where they earn and spend, defining a local economy. The federal government has determined if approximately 70% of the people live and work in an area, a contained economy is created.

County to county commuting patterns are determined once every ten years by the Bureau of the Census. This data is used to determine the statistical areas.

Two “flows” or directions are measured: 1) where the residents of an area work and 2) where the county’s workforce lives.

POLICOM examined the worker flow patterns for the three counties and aggregated them to form the Region. A comparison is made between 2010 and 2000.

The chart shows there is very little difference between the commuting patterns in 2010 and 2000.

The chart also reveals the Region is an extremely “contained” economy. With 70% being the threshold set by the federal government to determine an economy, you can see the Region far exceeds that limit.

Since “containment” is so great in the Region, it is fully appropriate the three counties look upon themselves as a region and unite under one economic development program.

Of those who live in the Region, where do they work?		
	2010	2000
In the Region	90%	91%
Misc other counties	10%	9%
Of those who work in the Region, where do they live?		
	2010	2000
In the Region	86%	86%
Misc other counties	14%	14%

The economic data for the three counties was aggregated to create economic data for the Region.<sup>3</sup> The data was then compared to the 576 Micropolitan areas.<sup>4</sup> The following chart be shows the ranking for the average annual growth rate for two-ten year periods.

<b>Region</b>		
<b>Growth Rate Ranking</b>		
<b>576 Micropolitan Areas</b>	<b>2011 - 2002</b>	<b>2001 - 1992</b>
Population	357	340
Employment	370	404
Earnings	302	359
Annual Wages	222	242
Number of NF Proprietors	98	284
Per Capita Personal Income	252	159
Per Capita Government Transfers	102	90

Overall, the growth rates were basically “average” when compared to the other Micropolitan areas.

The following chart ranks the “actual” amount for each issue. Note the Region would be the 24<sup>th</sup> largest Micropolitan area by population. Also note the Region paradoxically has relatively high Annual Wages and high Per Capita Welfare.

<b>Actual Amount</b>		
<b>576 Micropolitan Areas</b>	<b>2011</b>	<b>Rank</b>
Population	127,868	24
Annual Wages	43,436	138
Per Capita Personal Income	31,109	376
Per Capita Government Transfers	7,465	405
Per Capita Medicare	1,565	459
Per Capita Welfare - Actual	1,162	141
Per Capita Medical Transfers	3,005	404
Per Capita Medicaid	1,385	290

<sup>3</sup> The data used for much of this analysis is published by the Bureau of Economic Analysis, US Department of Commerce and is known as Regional Economic Information System data. It is gleaned from administrative records, not surveys, and is the most accurate data at the county level available. The BEA has published this data since 1994. However, in November of 2013, the BEA announced it will delay further publications of the data with 2011 being the last year presently available.

<sup>4</sup> In Section 3 of the Historical – Comparative Study, growth rankings are provided for 68 items for three time periods for the Region and each of the counties.



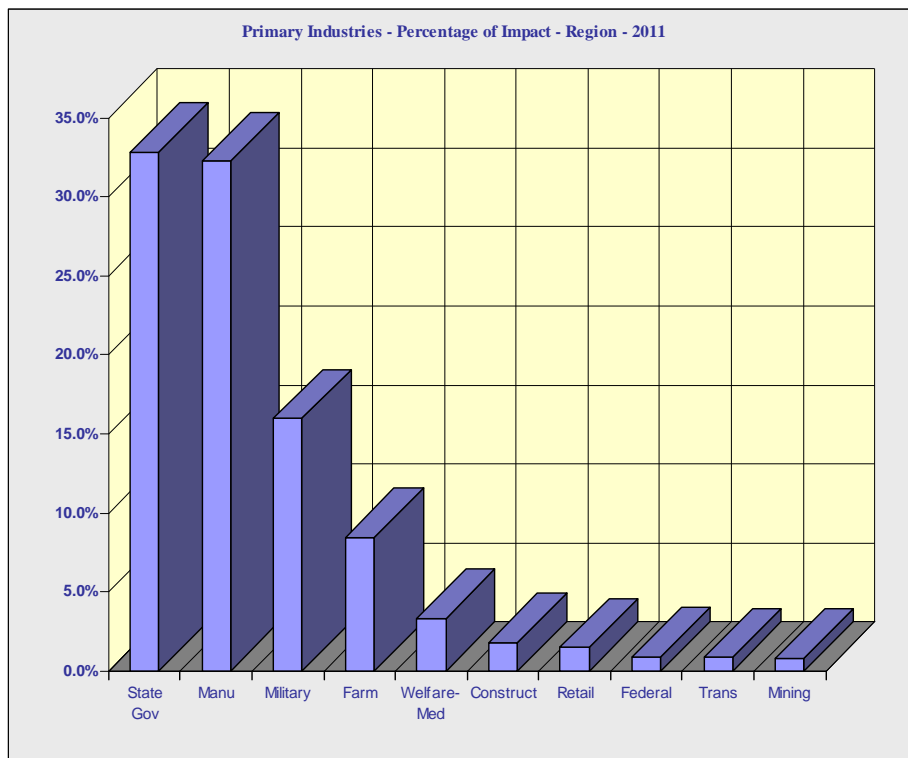
Local economies grow and expand in direct proportion to the amount of money being imported to the area. After it enters the economy, it is mixed and churned, going from business to business, person to person, until it is finally totally absorbed and leaves the area.

Money is principally imported to an area by way of the “primary” or contributory industries located in the economy. These businesses sell their goods or services outside the area, thus importing money to the area.

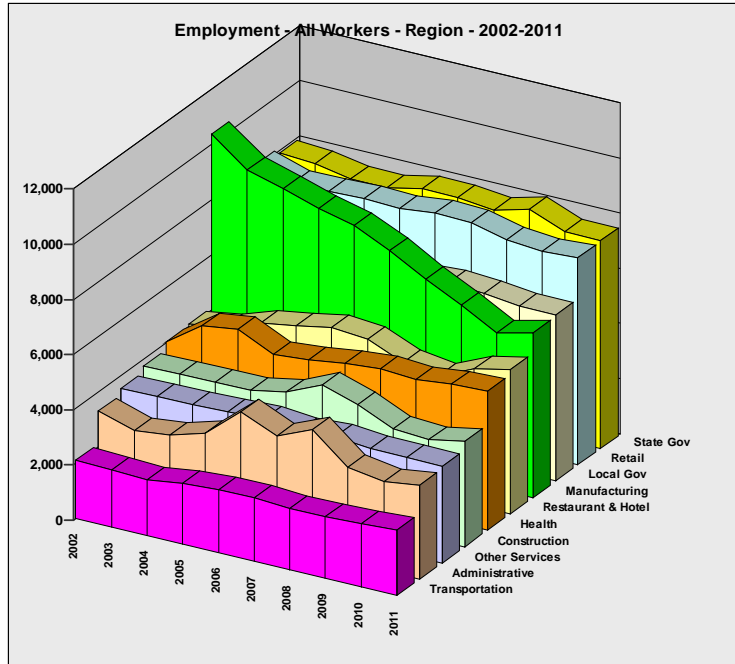
Typically only 5% to 10% of the businesses in a community are primary in nature. The balance of the businesses is “consumptive” and feed upon the money imported by the contributory businesses.

The following chart estimates the sources of money flowing into the Regional economy.

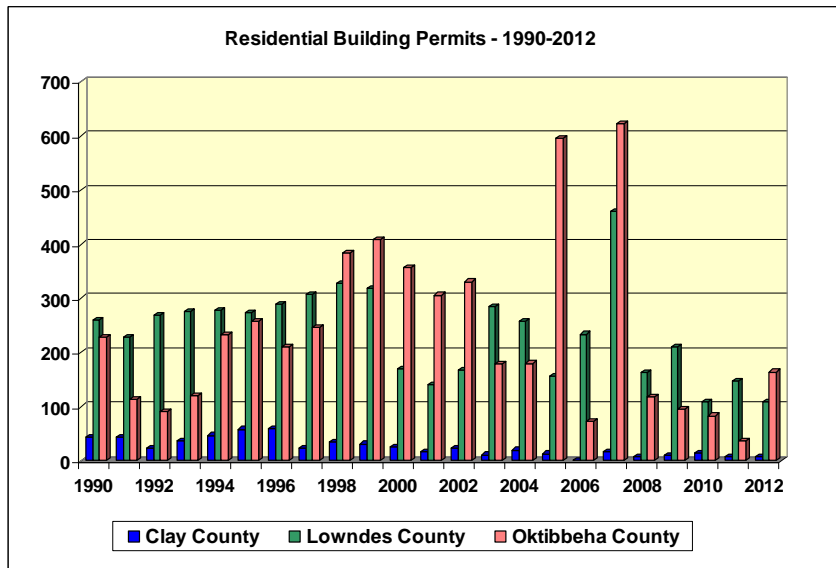
The Region has four principal primary industries. State government and manufacturing are tied as the biggest contributors.



Save for manufacturing, for most industrial sectors employment the last three or four years has been relatively consistent. State government, principally in Oktibbeha County, is the largest employer in the Region. Most of the loss of manufacturing jobs occurred in Clay County.

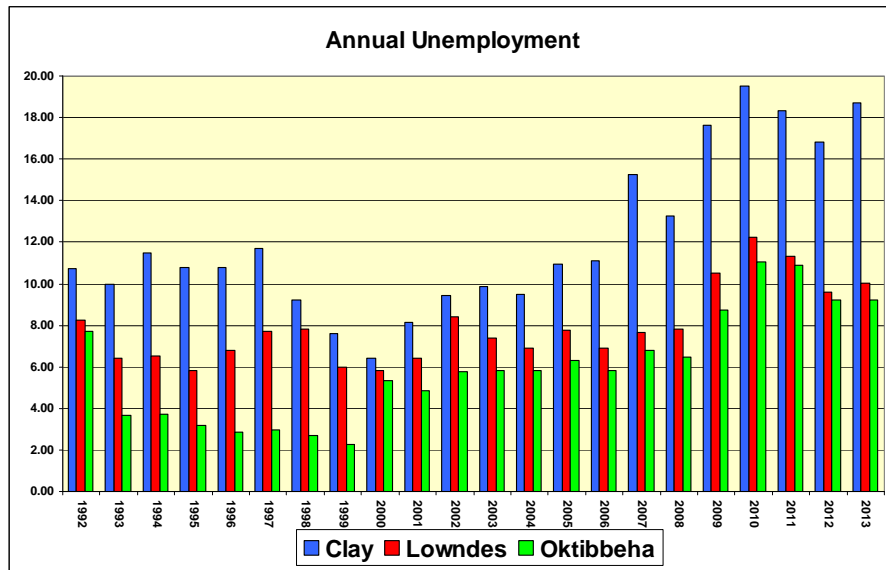


Most of the rise and fall in construction between 2005 and 2007 was caused by the construction and completion of major industrial buildings and a spurt in the construction of multi-family units in Oktibbeha County.<sup>5</sup>



<sup>5</sup> Source of building permit data – Bureau of Census, US Department of Commerce.

Since the loss of thousands of manufacturing jobs, Clay County has had chronically high unemployment. Lowndes and Oktibbeha counties also have had high unemployment but there is a downward trend.

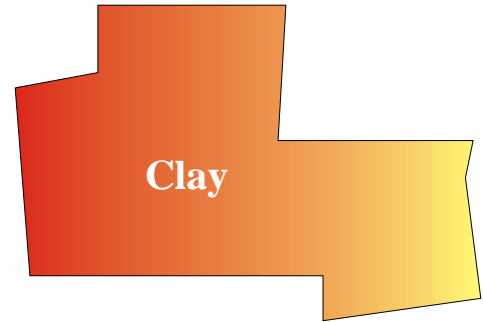


When aggregated, the Regional economy is basically in the middle of the pack when compared to other comparable areas. However, each of the three counties which comprise the Region has unique characteristics.

*Clay County*

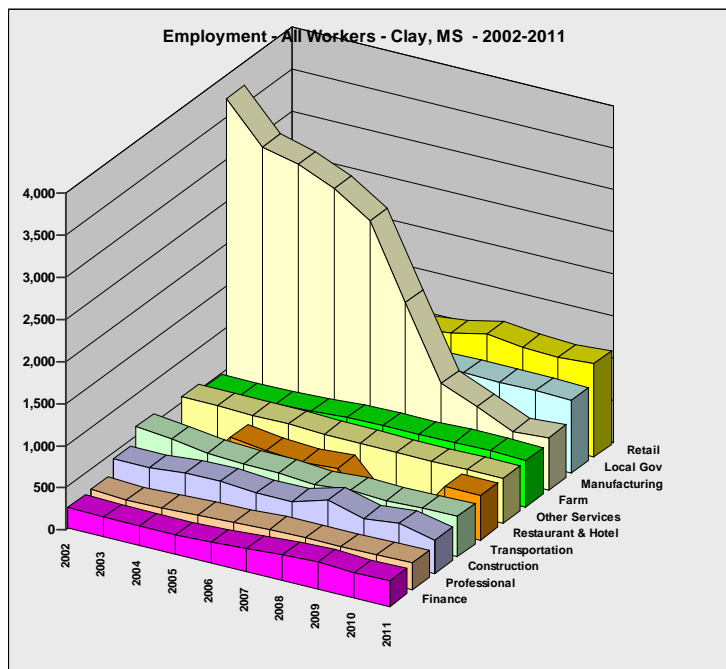
Clay County is the least populated among the three counties in the Region and also has the weakest economy. It has extremely high per capita welfare and unemployment.

Much of this distressed situation has been caused by the volatile loss of almost 3,000 manufacturing jobs from 2002 to the present.



As a result, the character and condition of the county's economy has changed significantly.

The graph shows the rapid decline in the manufacturing sector. Local government is the second largest employer. This is typical in weak economies. Typically Local Government is the 4<sup>th</sup> or 5<sup>th</sup> largest employer.



As a result of the loss of the manufacturing jobs, Clay County residents who desired to work had to find employment outside the county.

This caused a dramatic change in the commuting patterns for the county and consequently its relative economic “containment.”

The graph shows this change. In 2000, approximately 72% of the people who lived in Clay County worked in Clay County. However, by 2010, only 57% of the people who live in Clay work in Clay.

This basically means that 43% of the residents of the county who have jobs commute outside the county for work. In 2000, only 28% had to leave the county for work.

Of those who live in Clay County, where do they work?		
	2010	2000
Clay County	57%	72%
Lowndes County	13%	10%
Oktibbeha County	9%	5%
Chickasaw County	6%	5%
Monroe County	4%	2%
Misc other counties	11%	6%
Of those who work in Clay County, where do they live?		
	2010	2000
Clay County	69%	72%
Oktibbeha County	10%	10%
Lowndes County	8%	8%
Monroe County	4%	3%
Webster County	2%	1%
Misc other counties	6%	7%

Of interest is that the county imports 21% of its workforce with 10% commuting to Clay County from Oktibbeha County.

In the previous discussion regarding the regional economy, it was noted Clay County is no longer designated as a Micropolitan Statistical Area. The designations are reviewed every ten years.

In 2000, Clay County (West Point Micropolitan Area) met the 70% thresholds for “living and working” in the area. However, in 2010 neither was met and the county lost its designation when the areas were re-defined in 2013.

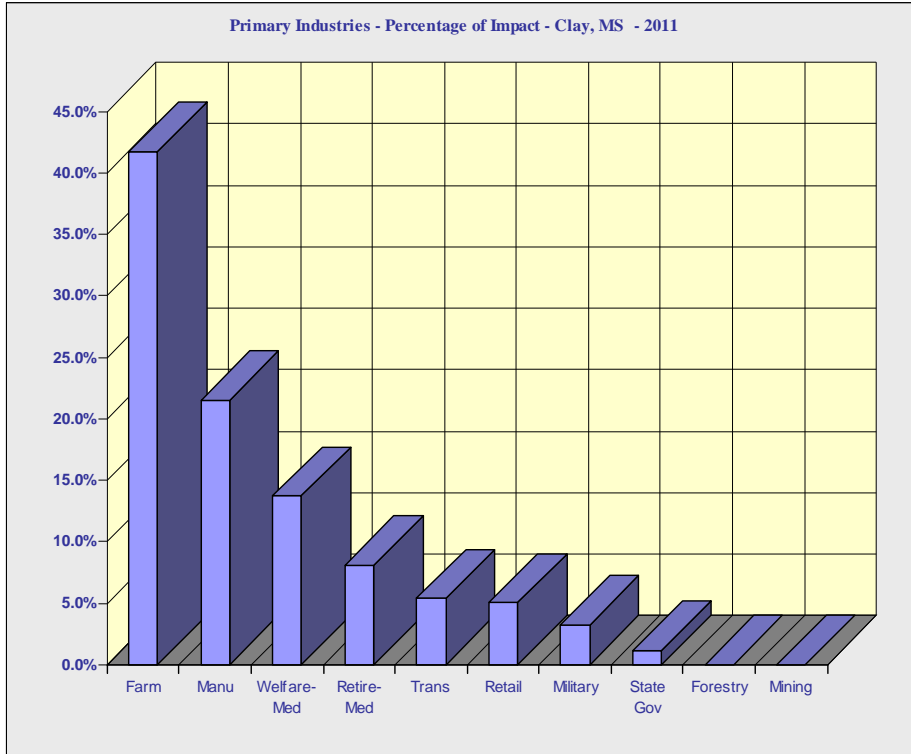
Growth rate and annual data for Clay County was compared to the 576 Micropolitan areas. Job growth over the last ten years was almost the slowest in the nation while to growth in non-farm proprietors (small businesses) was relatively strong.

<b>Clay, MS</b>		
<b>Growth Rate Ranking</b>		
<b>576 Micropolitan Areas</b>	<b>2011 - 2002</b>	<b>2001 - 1992</b>
Population	554	410
Employment	574	462
Earnings	566	468
Annual Wages	280	389
Number of NF Proprietors	122	227
Per Capita Personal Income	324	125
Per Capita Government Transfers	65	92

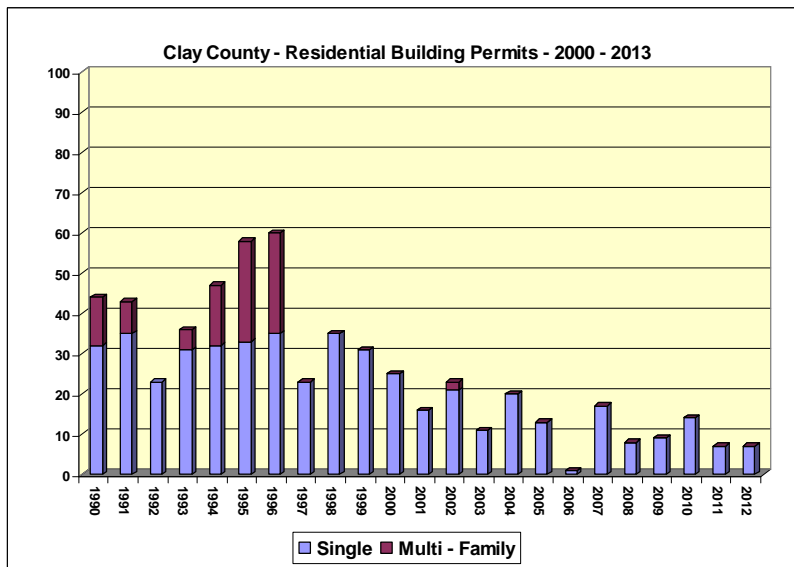
Per Capita Welfare is very high in the county while Annual Wages are relatively good.

<b>Actual Amount</b>	<b>2011</b>	<b>Rank</b>
<b>576 Micropolitan Areas</b>		
Population	20,456	552
Annual Wages	40,882	232
Per Capita Personal Income	29,417	455
Per Capita Government Transfers	8,884	193
Per Capita Medicare	1,902	294
Per Capita Retire Trans	2,892	575
Per Capita Welfare - Actual	1,588	47
Per Capita Medical Transfers	3,654	221
Per Capita Medicaid	1,726	160

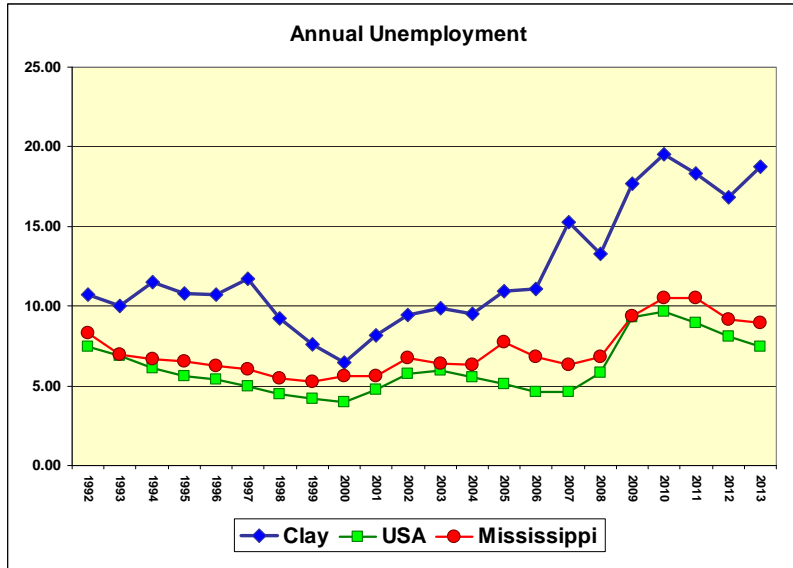
Presently the farm industry is the largest contributor to the Clay County economy accounting for about 40% of the imported money to the area. There is still a presence of manufacturing in the county adding wealth to the community. Welfare, unfortunately, is the third largest contributor.



Since the economy has been distressed for several years, there have been very few residential building permits issued over the last ten years.

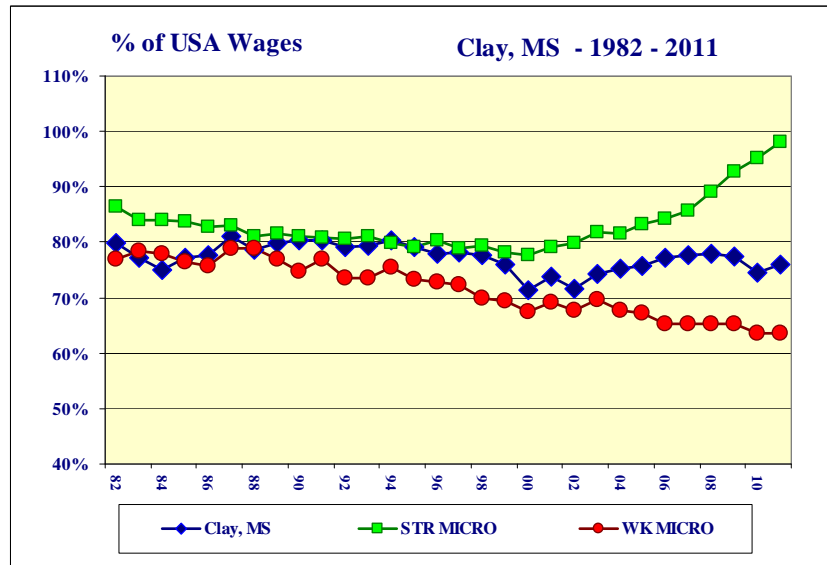


Since the decline in manufacturing, unemployment has been extremely high in the county.



The following graph compares the relative average wage in Clay County to the ten strongest and ten weakest Micropolitan areas in the United States. The percentage the Clay County wage is of the national average wage is calculated for the last 30 years.<sup>6</sup>

While the county has a depressed economy, the average wage improved relative to the national average from 2002 to 2008. This is much better than the ten weakest Micropolitan areas.



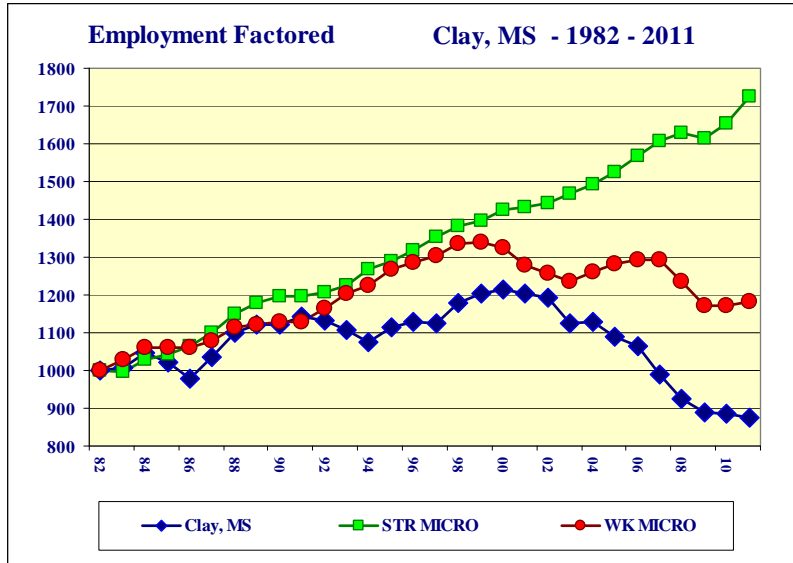
<sup>6</sup> For a list of the ten strongest and weakest Micropolitan areas and several more comparisons for all counties, please see Section 2 of the Historical – Comparative Study.



The following graph visually compares the relative growth in the size of the economy by measuring employment. Clay County is compared to the ten strongest and weakest Micropolitan areas.

The annual percentage increase was calculated and then multiplied by a common number (factoring) to enable visual comparisons.

As you can see, by this measure, the size of the Clay County economy declined rapidly as a result of the loss of the manufacturing jobs.

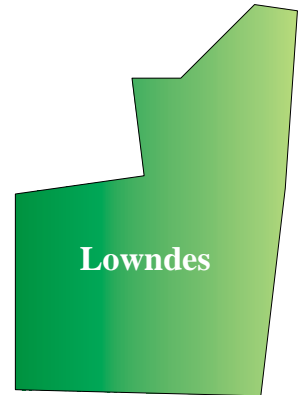


*Lowndes County*

Lowndes County has the greatest population of the three counties in the Region. It also has the strongest economy. As a result of recruiting several advanced manufacturing companies to the county, several thousand quality jobs have been created.

As a result the quality of the economy has improved significantly. However, unemployment still remains high, overall job growth has been slow, and welfare remains relatively high.

The county has been relatively contained for a long time. There is very little difference to the commuting patterns between 2010 and 2000. Employment opportunities for Lowndes County residents seem to be abundant as 86% of the people live and work in the county. About 12% of the Lowndes County workforce commutes from other counties.



Of those who live in Lowndes, where do they work?		
	2010	2000
Lowndes County	86%	87%
Oktibbeha County	4%	3%
Clay County	2%	3%
Monroe County	2%	2%
Noxubee County	1%	1%
Misc other counties	5%	5%
Of those who work in Lowndes, where do they live?		
	2010	2000
Lowndes County	78%	78%
Oktibbeha County	5%	4%
Clay County	4%	3%
Monroe County	3%	3%
Pickens County	3%	3%
Misc other counties	8%	8%

When compared to the other Micropolitan areas, Lowndes County has improved in several categories since the 1990's. The rate of growth for virtually every issue has been better this century than the previous ten years.

<b>Lowndes, MS</b>		
<b>Growth Rate Ranking</b>		
<b>576 Micropolitan Areas</b>	<b>2011 - 2002</b>	<b>2001 - 1992</b>
Population	480	429
Employment	332	536
Earnings	224	482
Annual Wages	154	247
Number of NF Proprietors	115	391
Per Capita Personal Income	135	382
Per Capita Government Transfers	44	37

The average annual earnings per worker (Annual Wages) are the 53<sup>rd</sup> highest among the Micropolitan areas. The high annual wage is driven upward by the high wage paid in the manufacturing sector (\$77,669) which is the 43<sup>rd</sup> highest among the Micropolitan areas.

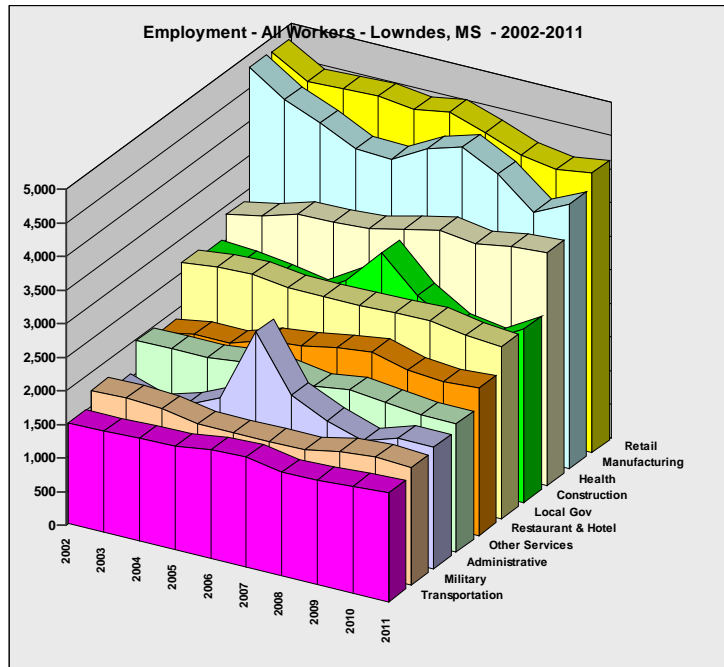
Since the most important primary industry is a high wage industry, the wages for the consumptive, lower skill sectors, have been pulled “upward.” As an example, annual wages in Retail Trade in Lowndes County (\$31,360) are the 51<sup>st</sup> highest in the country and are more than \$5,000 greater than neighboring Oktibbeha County (\$26,146).<sup>7</sup>

<b>Actual Amount</b>		
<b>576 Micropolitan Areas</b>	<b>2011</b>	<b>Rank</b>
Population	59,671	180
Annual Wages	47,714	53
Per Capita Personal Income	33,905	220
Per Capita Government Transfers	7,951	343
Per Capita Medicare	1,815	346
Per Capita Retire Trans	2,549	576
Per Capita Welfare - Actual	1,227	113
Per Capita Medical Transfers	3,283	328
Per Capita Medicaid	1,383	291

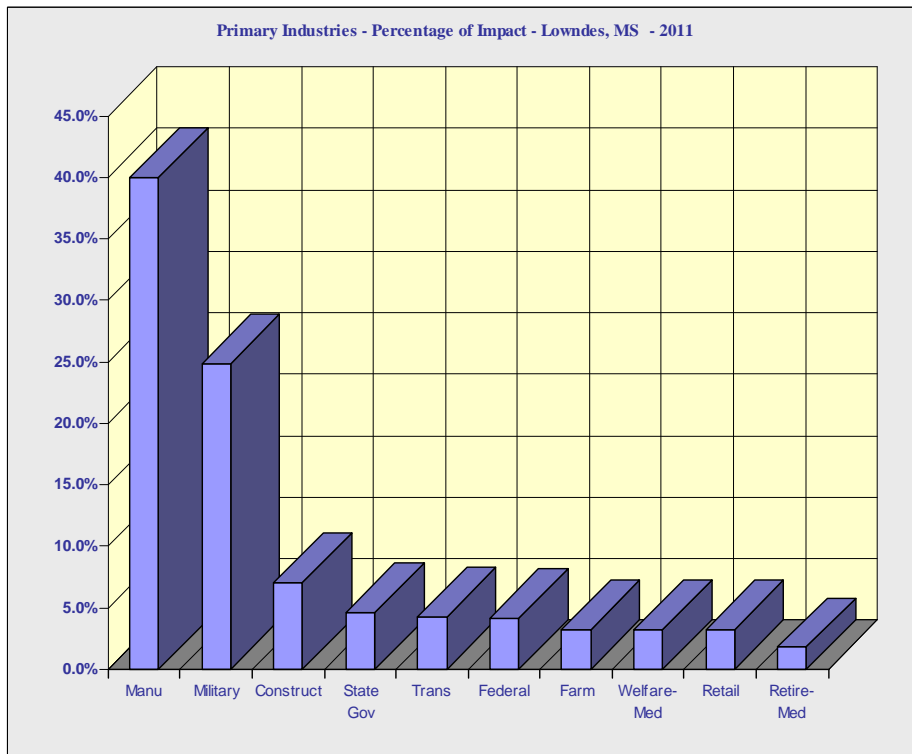
Even with the high wage employers in the county, Per Capita Welfare is relatively high.

<sup>7</sup> Please see Section 3 of the Historical – Comparative Study.

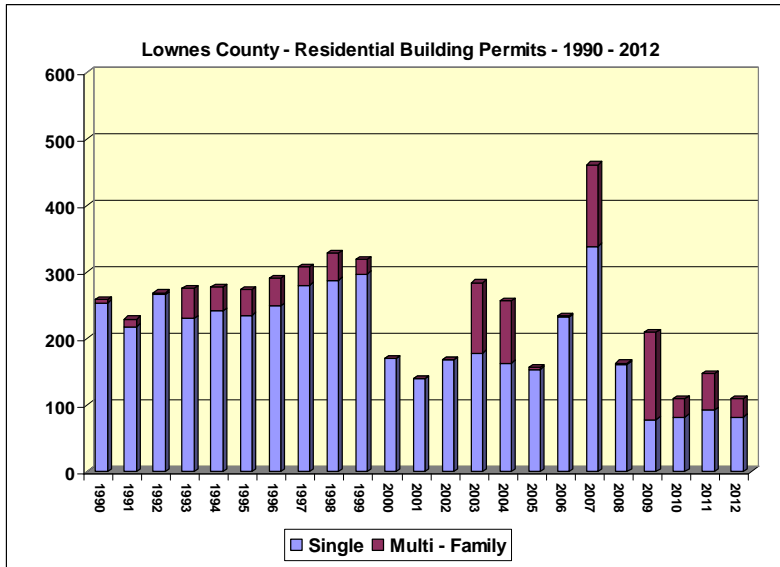
While the county has recruited several new manufacturers to the area, during the recession employment in this sector declined. However, it appears manufacturing has stabilized and is recovering.



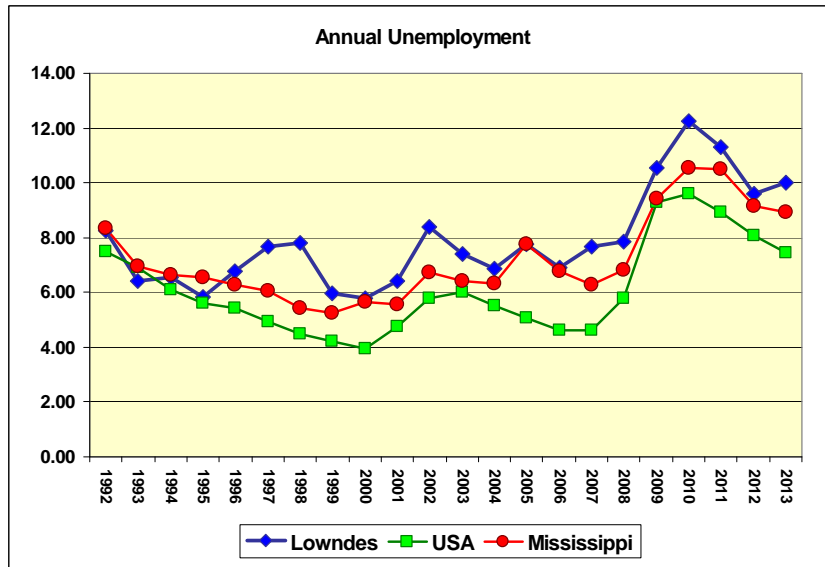
Manufacturing is the most important primary industry. Military (principally the Air Force base) accounts for about 25% of the economy.



The national recession has slowed residential construction over the last five years.

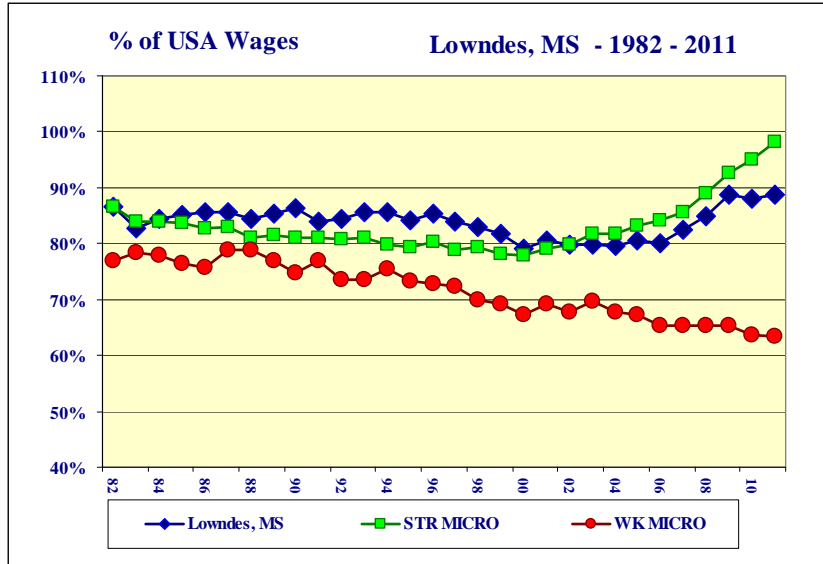


Unemployment in Lowndes County has been chronically higher than the state of Mississippi and the nation.



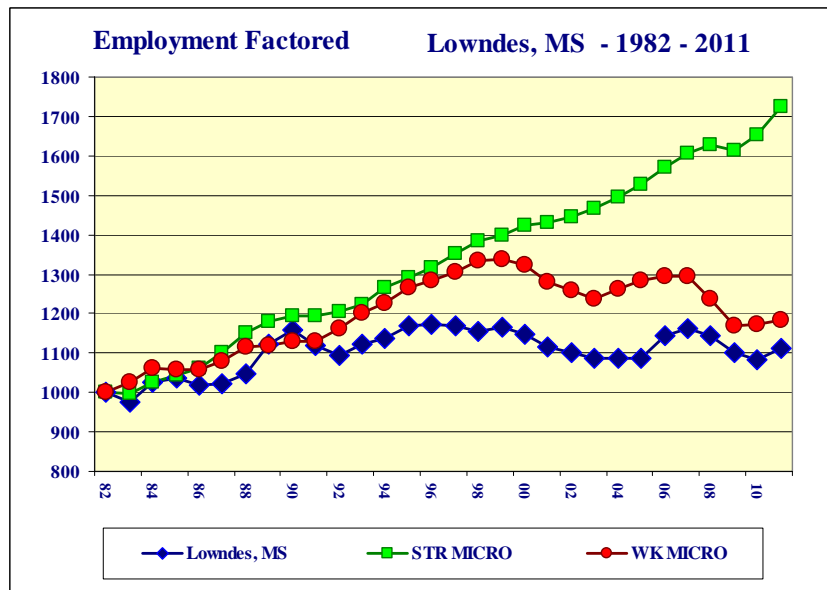
The following graph compares the relative average wage in Lowndes County to the ten strongest and ten weakest Micropolitan areas in the United States. The percentage the Lowndes County wage is of the national average wage is calculated for the last 30 years.

Beginning in 2004, the Lowndes County wage increased as a percentage of the national wage at a rate similar to the ten strongest Micropolitan areas.



The following graph visually compares the relative growth in the size of the economy by measuring employment. Lowndes County is compared to the ten strongest and weakest Micropolitan areas.

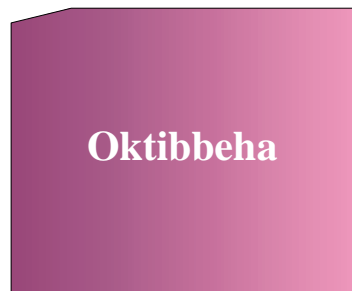
The annual percentage increase was calculated and then multiplied by a common number (factoring) to enable visual comparisons. Overall job growth has been lackluster for the last 20 years.



### Oktibbeha County

Oktibbeha County is the home of Mississippi State University (Starkville) which dominates the economy. Economic growth depends upon the success of the university.

Among the three counties in the Region, the county has the best record in creating new jobs but most of the jobs have been in the low wage sector.



As with Lowndes County, Oktibbeha County has been a contained economy for a long time. Commuting patterns in 2010 are similar to 2000. About 23% of the Oktibbeha County workforce commutes from other counties.

Of those who live in Oktibbeha, where do they work?		
	2010	2000
Oktibbeha County	81%	82%
Lowndes County	7%	6%
Clay County	3%	5%
Webster County	1%	1%
Choctaw County	1%	1%
Misc other counties	7%	5%
Of those who work in Oktibbeha, where do they live?		
	2010	2000
Oktibbeha County	77%	80%
Lowndes County	5%	4%
Webster County	4%	3%
Clay County	3%	2%
Winston County	3%	2%
Misc other counties	8%	8%

Oktibbeha County’s relative growth rate for jobs, worker earnings, and wages slowed considerably during the last ten years compared to the 1990’s.

<b>Oktibbeha, MS</b>		
<b>Growth Rate Ranking</b>		
<b>576 Micropolitan Areas</b>	<b>2011 - 2002</b>	<b>2001 - 1992</b>
Population	110	189
Employment	166	92
Earnings	235	58
Annual Wages	338	90
Number of NF Proprietors	67	152
Per Capita Personal Income	451	16
Per Capita Government Transfers	286	266

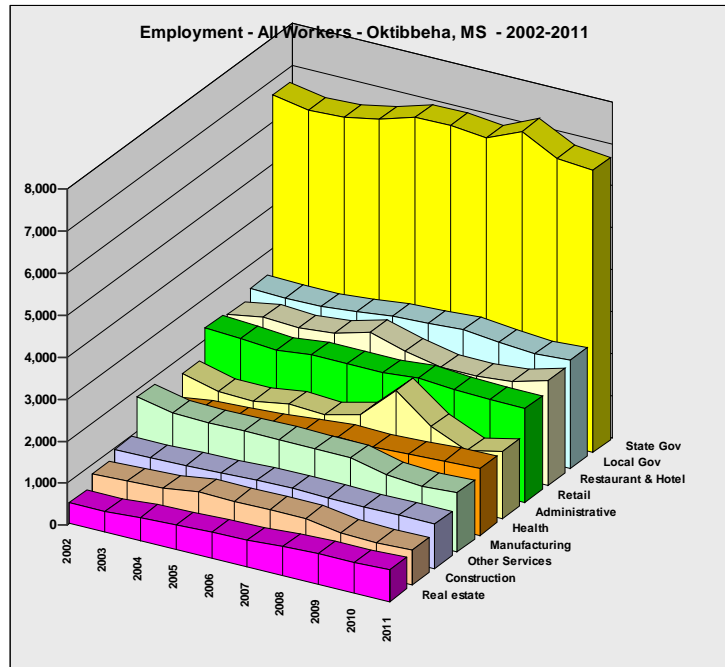
Annual Wages in Oktibbeha County are the lowest among the three counties in the Region and are in the lower half of the Micropolitan areas. Per Capita Personal Income is in the lower 1/5<sup>th</sup> of the Micropolitan areas. However, this might be negatively influenced (caused to be lower than normal) as a result of the student population.

<b>Actual Amount</b>		
<b>576 Micropolitan Areas</b>	<b>2011</b>	<b>Rank</b>
Population	47,741	259
Annual Wages	38,606	323
Per Capita Personal Income	28,340	487
Per Capita Government Transfers	6,249	524
Per Capita Medicare	1,108	550
Per Capita Retire Trans	1,750	577
Per Capita Welfare - Actual	898	293
Per Capita Medical Transfers	2,380	519
Per Capita Medicaid	1,242	359



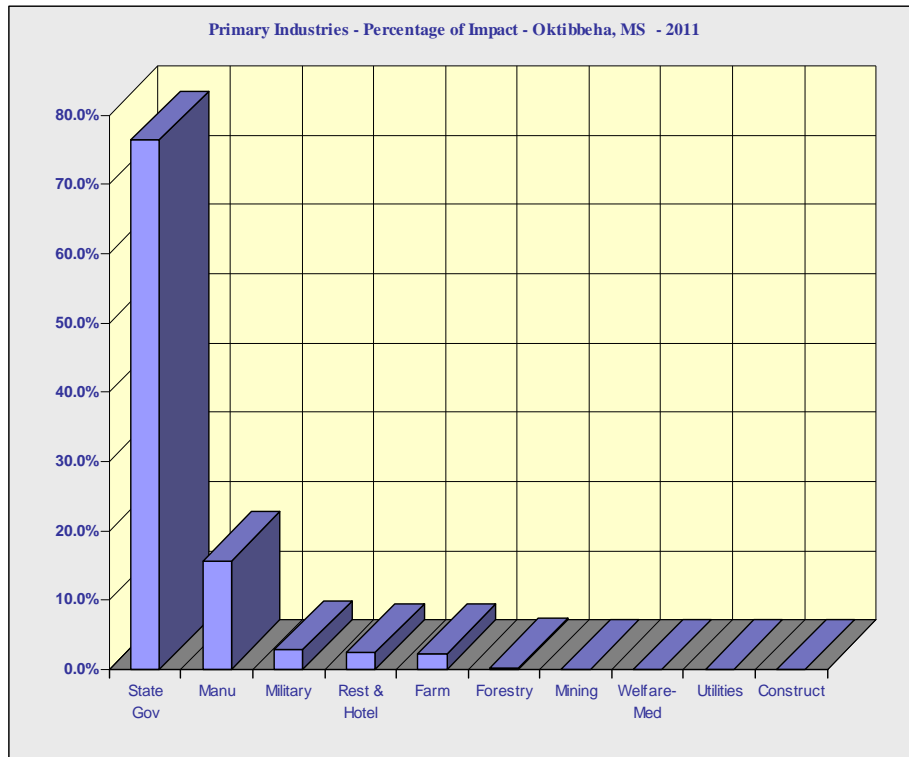
State government is by far the most dominant employer in Oktibbeha County. This sector comprises 26% of the workforce which is the 4<sup>th</sup> highest percentage among the 576 Metropolitan areas.

Local government is the 2<sup>nd</sup> most dominate sector. This is the result of a local hospital being owned by the county with its workers included in local government data. In Clay County, local government is the 2<sup>nd</sup> highest employment sector because the economy is distressed.

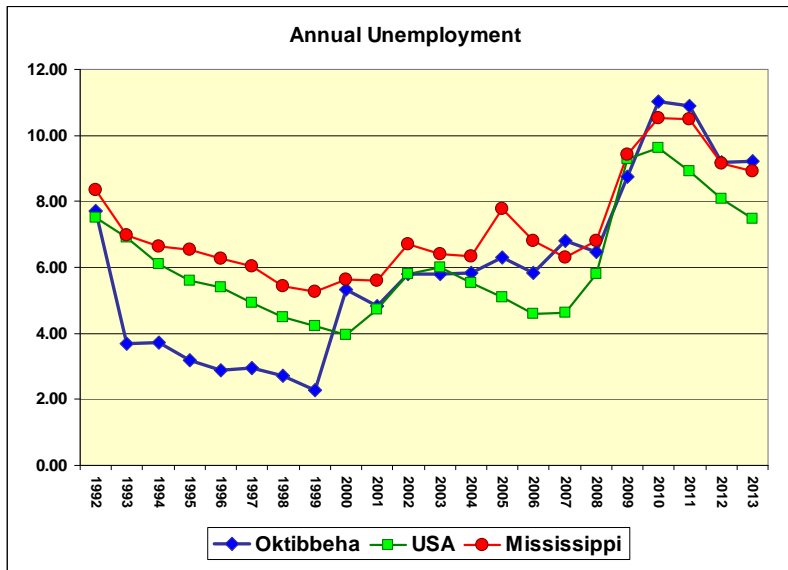


As a result of its dominance in employment, state government is overwhelmingly the biggest contributor to the economy accounting for about 75% of the imported wealth to the county. Aside from manufacturing, there are virtually no other contributory industries.

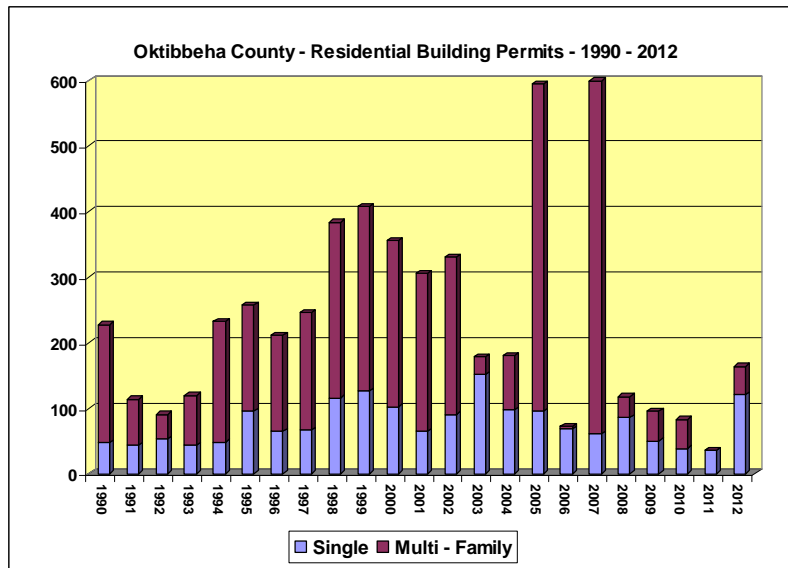
While the university is “not going away,” there should be concern by the community of being so dependent upon one industry for its economy. When enrollment increases, the economy grows. When enrollment declines, the economy declines. A more diversified economy is more desirable.



Even though the university is a consistent employer, unemployment in Oktibbeha County has consistently been higher than the state of Mississippi and the nation for the last five years.

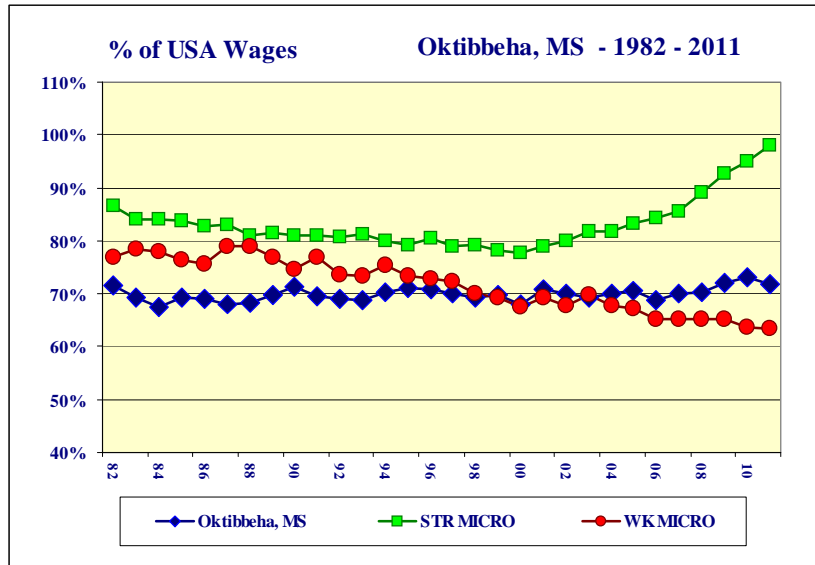


More than 2/3rds of the new residential construction over the last 30 years has been for multi-family units, likely providing housing for the student population.



The following graph compares the relative average wage in Oktibbeha County to the ten strongest and ten weakest Micropolitan areas in the United States. The percentage the Oktibbeha County wage is of the national average wage is calculated for the last 30 years.

Overall, the quality of the economy has not improved relative to the nation for the last 30 years. This is principally the result of not attracting high wage employers to the area and being solely dependent upon the university.



The following graph visually compares the relative growth in the size of the economy by measuring employment. Oktibbeha County is compared to the ten strongest and weakest Micropolitan areas.

Since the university has consistently increased enrollment, employment in the county has consistently increased over the years.

