

Treasury Notes

Office of the State Treasurer Lynn Fitch

Issue 11 • July 2015

• Lynn's Ledger •

Preparing the Next Workforce

As your State Treasurer, I've had the pleasure of traveling around Mississippi and meeting with different organizations and companies which are continuing to invest in our state. When companies invest in Mississippi, I believe in doing what we can to prepare our workforce to not only keep companies here, but to market Mississippi for more economic development. Some of the ways we are trying to prepare the next generation include our TEAM financial literacy initiative, our College Savings plans, and to be conservative stewards of our state's finances.

Alan Greenspan once said "The number one problem in today's generation and economy is the lack of financial literacy." Personal finance is a critical life skill that will benefit every student in every single profession. High school graduates who can't handle basic financial tasks affect the state's economy and hinder the workforce. According to the Council for Economic Education, in 2010, more individuals filed for bankruptcy than graduated from college. We are doing a disservice to our children, our students, and to our future workforce by not taking action. That's why TEAM, the Treasurer's Education About Money, has been a major initiative of mine for the past year and will continue to be in the years to come.

Along with preparing the next generation with critical tools, like personal finance, we also need to ensure they don't begin their professional career under a mountain of debt. Statistics from the Council for Economic Education show that 30% of college students with loans drop out without a degree, and 30% of 18-24 year olds' income goes towards debt repayment. By preparing for our children's future with MACS, the Mississippi Affordable College Savings Plans, and MPACT, the Mississippi Prepaid Affordable College Tuition Plan, we can help lessen the cycle of debt.

Lastly, we need to lead by example. As parents, grandparents, employers, and as a state, if we are better stewards of our dollars, we can show our children and the next workforce how to manage their finances in a fiscally conservative way.



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Lynn Fitch
STATE TREASURER



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TREASURER LYNN FITCH EMPHASIZES POSITIVE RECORD AT NESHOBA COUNTY FAIR

On July 30, Treasurer Lynn Fitch spoke at the Neshoba County Fair highlighting her successful tenure as State Treasurer.

“Together, there’s no limit to what our state can accomplish,” stated Treasurer Fitch. “I’m proud of my record as your State Treasurer, and my commitment to you is to continue to be a positive leader with a positive plan for Mississippi’s financial future.”

Treasurer Fitch highlighted several accomplishments spanning the agency’s primary programs and responsibilities:

- Saving Mississippi taxpayers \$69 Million dollars through restructuring the state’s debt.
- Maintaining the state’s strong AA credit rating while working to be a positive ambassador to the rating agencies and bond investors.
- Returning over \$41 Million in unclaimed property to the rightful owners as well as modernizing the reporting and claims processes to make it more business friendly and claimant friendly.
- Returning over \$41 Million in unclaimed property to the rightful owners as well as modernizing the reporting and claims processes to make it more business friendly and claimant friendly.
- Reopening the Mississippi Prepaid Affordable College Tuition Plan (MPACT) after reevaluating the program to ensure the taxpayers were safeguarded going forward.
- Growing the Mississippi Affordable College Savings Plan (MACS) which currently has a record \$186 Million in assets.
- Expanding her financial literacy initiative, called the Treasurer’s Education About Money (TEAM), which has now reached over 15,000 students in over 200 schools.



Treasurer Fitch expanded on one of the more difficult decisions in the past four years, pushing to defer enrollments to MPACT

“We suspended MPACT because it was not sustainable,” Treasurer Fitch noted. “We were losing ground on every new contract. I was not going to allow taxpayers to be forced to bail out this program. Not on my watch. Leading is an action word, and we took action that was fiscally prudent and necessary to shore up a program that is backed by the full faith and credit of our state.”

Fitch continued to say that her agency accomplishments are tied together “by educating our children; by saving for their college education; by teaching them the critical life skill of personal finance; and then they will become the workforce of the future. We have a great state and we must all be ambassadors. We must all work to move Mississippi forward in a positive way.”

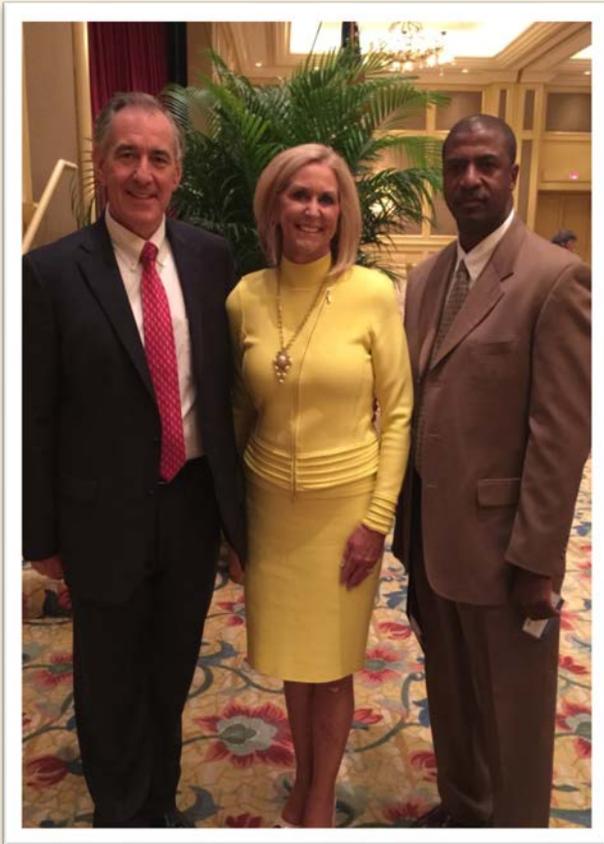
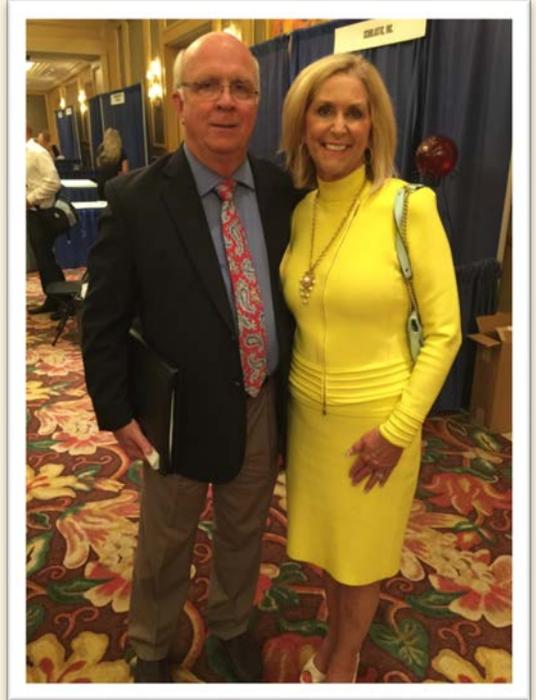


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MS ASSOCIATION OF SCHOOL SUPERINTENDENTS

Earlier this month, Treasurer Fitch spoke to the Mississippi Association of School Superintendents about the importance of financial literacy and the availability of payroll deduction for the Mississippi Affordable College Savings Plan (MACS). TEAM has now reached 215 schools, and Treasurer Fitch spoke about her goal to reach every high school in the state. She also took the opportunity to discuss with superintendents the flexible option of payroll deduction for MACS. Payroll deduction is open to all employers, at no cost. Employees have the option of enrolling and can contribute as little as \$15 per pay period.



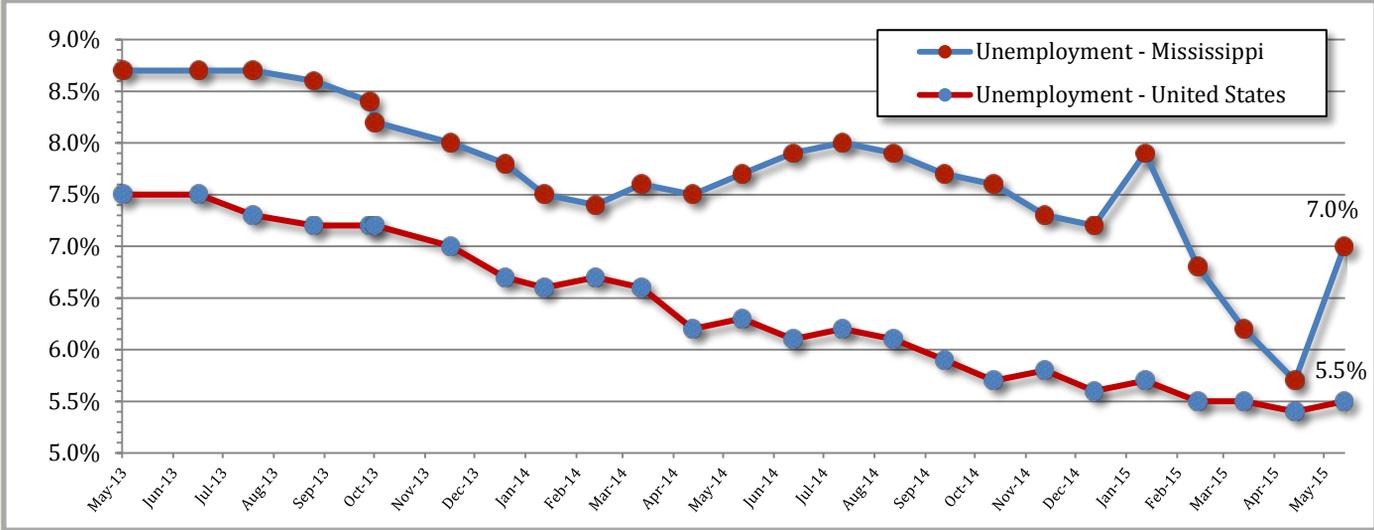
UPDATE ON UNCLAIMED PROPERTY

The Office of the State Treasurer wants to remind you that one in five Mississippians has unclaimed property. These properties can be anything from forgotten utility deposits, bank accounts, stocks and bonds, and unclaimed inheritances. Since 2012, Treasurer Fitch and her team have been able to return over **\$41 million** to Mississippians. After publishing the unclaimed property tabloid in April 2015, the Treasurer's office has been able to match up an additional **\$13.9 million dollars**, as of July 31. To find out if you have unclaimed property, visit our website at TreasurerLynnFitch.com.



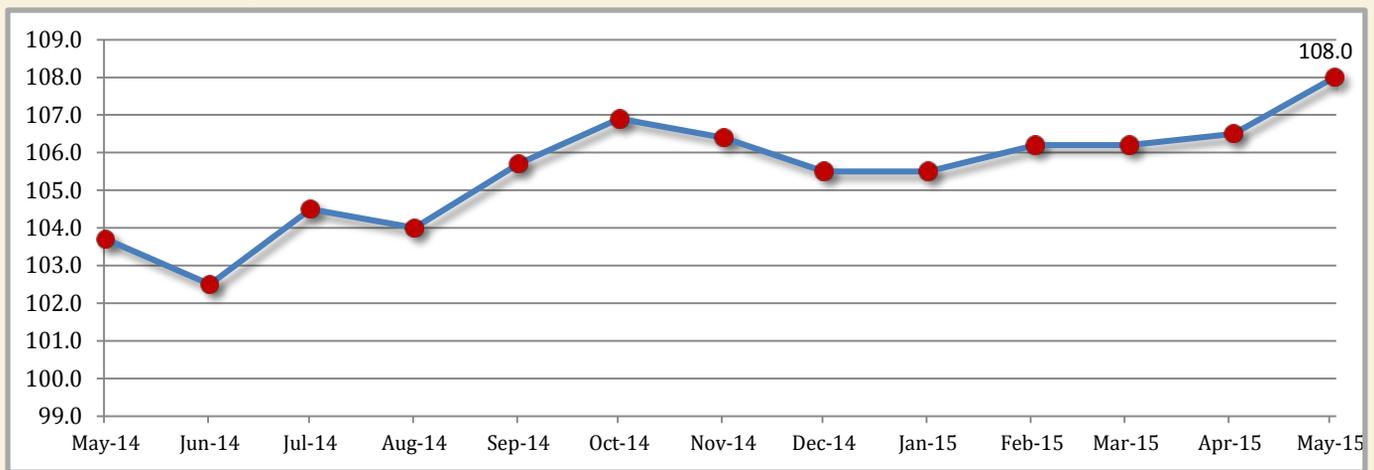
ECONOMIC STATISTICS

MS UNEMPLOYMENT RATE (MAY 2013 - MAY 2015)



The Unemployment Rate is the percentage of the total labor force that is unemployed, but actively seeking employment and willing to work. The number of seasonally-adjusted continued unemployment claims in Mississippi rose by about 2% in May. (Source: University Research Center, Mississippi Institutions of Higher Learning and Mississippi Department of Employment Security)

LEADING INDEX (MAY 2014 - MAY 2015)



Components of the Leading Index include average weekly manufacturing hours, average weekly initial claims for unemployment insurance, manufacturers' new orders for consumer goods and non-defense capital goods, building permits and stock prices. Other components are indexes of supplier deliveries and consumer expectations, M2 money supply and the interest rate spread between 10-year Treasury bonds and federal funds. The value of the MLI surge 1.4% in May. Thanks to upward revisions in retail sales, the values of the MLI for March and April were revised higher by .2% and .3%, respectively (Source: University Research Center, Mississippi Institutions of Higher Learning)

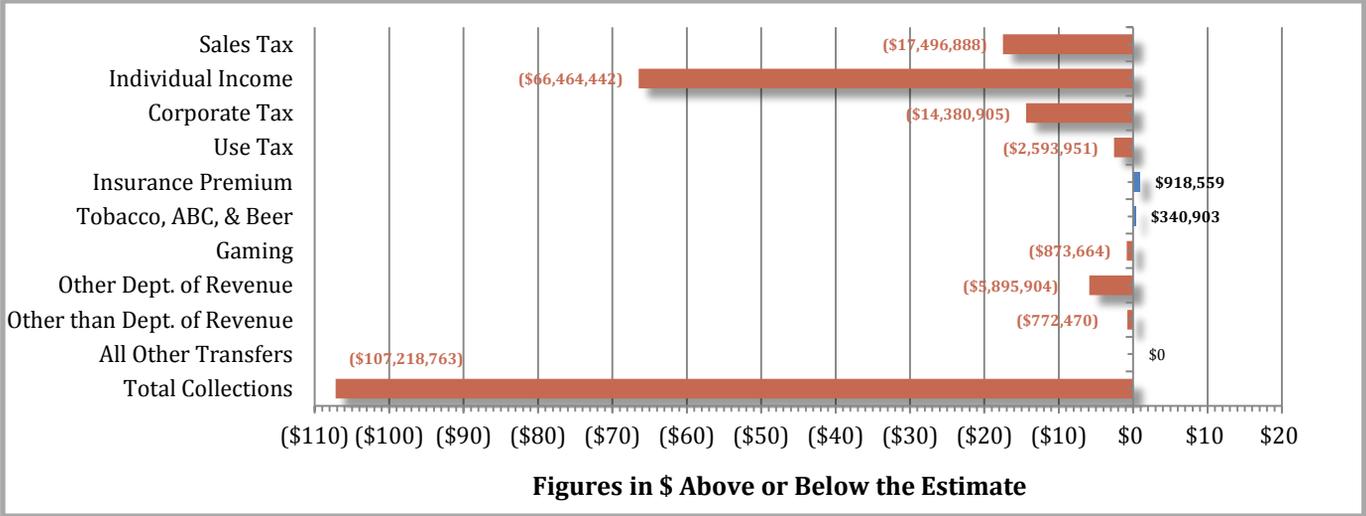
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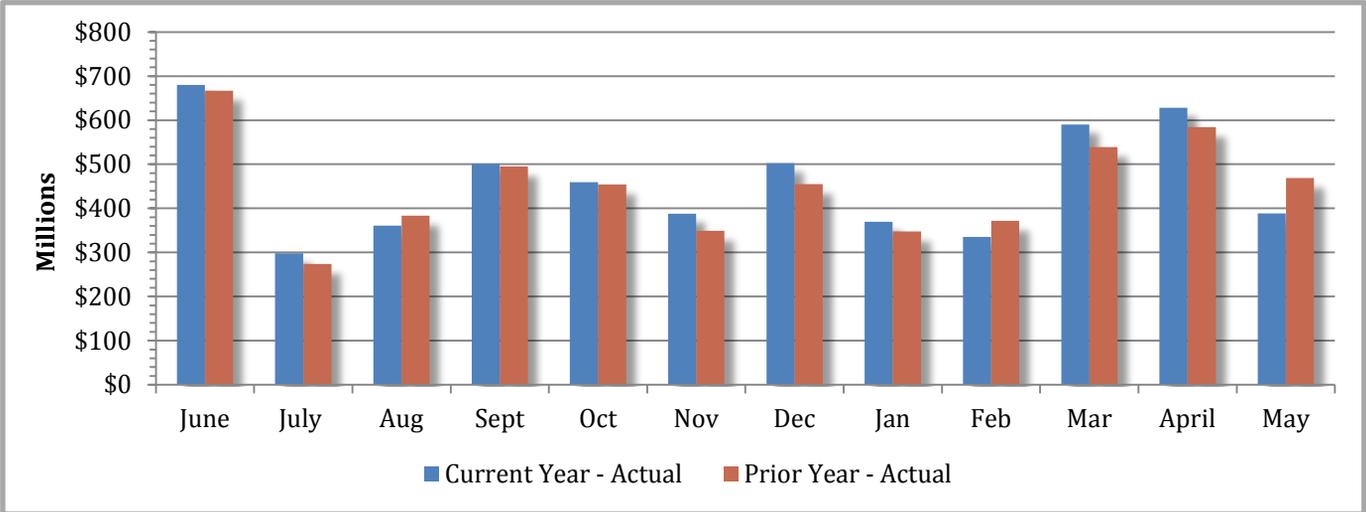
REVENUE COLLECTIONS

REVENUE (ACTUAL - OVER OR UNDER MONTHLY ESTIMATE)



Total collections for May FY 2015 were (\$107,218,763) below the sine die estimate. Department of Revenue sources were (\$106,446,292) below the estimate and Other Than Department of Revenue collections were below the estimate by (\$772,470). The major revenue sources were above or below the estimate in May (Source: LBO)

REVENUE (ACTUAL - CURRENT YEAR VS. PRIOR YEAR)



The above chart illustrates the General Fund revenue collections by month as compared to the prior year.