

Treasury Notes

Office of the State Treasurer Lynn Fitch

Issue 1 • August 2014

• Lynn's Ledger •

Treasurer's Education About Money (TEAM)

School is back in session. Students are learning their history, geography, literature, and biology. But there is one subject most of our high school students are not taught, and it is information they will absolutely need to know to be successful in life. That subject is personal finance.

Every year, the Financial Industry Regulatory Authority evaluates financial literacy in each state. Mississippi is consistently named among the least financially capable states in the country. That is unacceptable. We must change the financial culture in Mississippi. That is why this school year students in every high school in the state of Mississippi will have a personal finance educational tool available to them so they can learn the basics of managing their money.

This EverFi online resource is being provided to high schools statewide as part of the Treasurer's Education About Money (TEAM) initiative. It is a public-private partnership teaming stakeholders in the financial and business community with schools and students. The Mississippi Council for Economics Education will provide additional teacher training to enhance their knowledge of personal finance and make them more effective teaching it to their students.

Students will learn basic concepts such as how to build good credit, how to save for college, how to get a mortgage, and how to invest. They will also learn to avoid the common personal finance mistakes so many Mississippians make when they max out credit cards, don't plan long term, and don't save for the inevitable rainy day.

Since personal finance education is not required for high school students, I encourage you to contact us for more information on how we can help facilitate getting this tool into your communities. We're working to make sure that every high school has the resources to raise our state's financial literacy. We need your help to make sure that our schools provide their students those resources, which will serve them well for the rest of their careers, and lives. I hope you will join me in working to change the financial culture in Mississippi. We will all win when we join the TEAM.

Visit www.treasurerlynnfitch.com for information on TEAM. You can also email us at TEAM@treasury.ms.gov or call 601-359-5258.



INSIDE THIS EDITION

- Lynn's Ledger
- TEAM Kickoff Tour
- College Savings Mississippi
- Unclaimed Property
- More For Your Dollar
- Economic Statistics
- Revenue Collections
- Debt Service



Lynn Fitch
STATE TREASURER



Treasury Notes

Office of the State Treasurer Lynn Fitch

TEAM STATEWIDE ROLLOUT

The Treasurer traveled the state in August to announce the rollout of TEAM personal finance resources in high schools. She made stops in Gulfport, Hattiesburg, Meridian, Clinton, Jackson, Madison, Yazoo City, Greenwood, Southaven, Holly Springs and Tupelo to share information about the program.



COLLEGE SAVINGS MISSISSIPPI

MARK YOUR CALENDARS FOR FUN FAMILY ACTIVITIES

September is College Savings Month. And the Treasurer’s Office is busy planning events to celebrate. Be sure to visit the Mississippi Children’s Museum in Jackson on September 6th for a special

admission price of \$5.29 to focus attention on our state’s two 529 college savings programs, Mississippi Affordable College Savings (MACS) and Mississippi Prepaid Affordable College Tuition (MPACT).

And don’t forget to mark your calendars for September 20th, the date for our Annual 5.29K Walk/Run and Fun Run at Renaissance in Ridgeland. If you register before race day, you’ll save \$5.00.

Proceeds from the race will be used to present MACS scholarships on race day. Last year, College Savings Mississippi presented over \$11,000 in scholarships.

Visit the website to register at www.treasurerlynnfitch.com.





Treasury Notes

Office of the State Treasurer Lynn Fitch

UNCLAIMED PROPERTY

BRANDON MAN DISCOVERS WINDFALL AT TREASURY



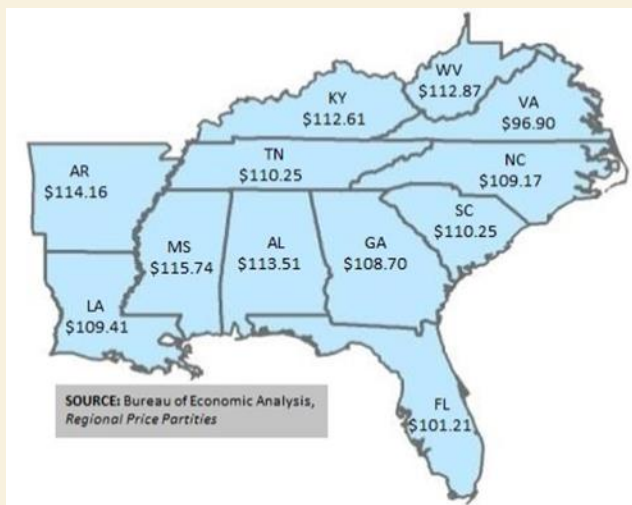
July was a special month for the Unclaimed Property division. Treasurer Fitch presented a check for over \$213,000 to John Daily of Rankin County. He did his research through the Treasury and determined that the funds and securities belonged to him. Whenever businesses, utility companies, insurance companies and other entities have funds or securities that belong to Mississippians they have been unable to locate for a period of five years, state law requires that they turn those amounts over to the Treasury. It then becomes the responsibility of the Unclaimed Property division to locate the rightful owners.

The Office of the State Treasurer has returned over \$33 million in Unclaimed Property to the rightful owners since Treasurer Fitch took office in 2012. One in five Mississippians has unclaimed property at the Treasury. Everyone is encouraged to visit the Treasurer’s website at www.treasurerlynnfitch.com often to see if they have any unclaimed property.

MISSISSIPPI TOPS THE LIST OF STATES WHERE A DOLLAR GOES THE FARTHEST

The Tax Foundation, a non-partisan think tank in Washington, recently published a report on the spending power of \$100 in each of the 50 states. In Mississippi, \$100 is worth \$115.74. Because average prices for similar goods are much higher in California or New York than in Mississippi, the same amount of dollars will buy comparatively less in the high price states. That same \$100 is worth only \$86.66 in New York.

Taxes are calculated based on nominal income. The average New York resident pays significantly more in taxes than the average Mississippi resident. But Mississippi residents actually have higher purchasing power, meaning that they pay lower taxes despite having a richer amount of consumption.



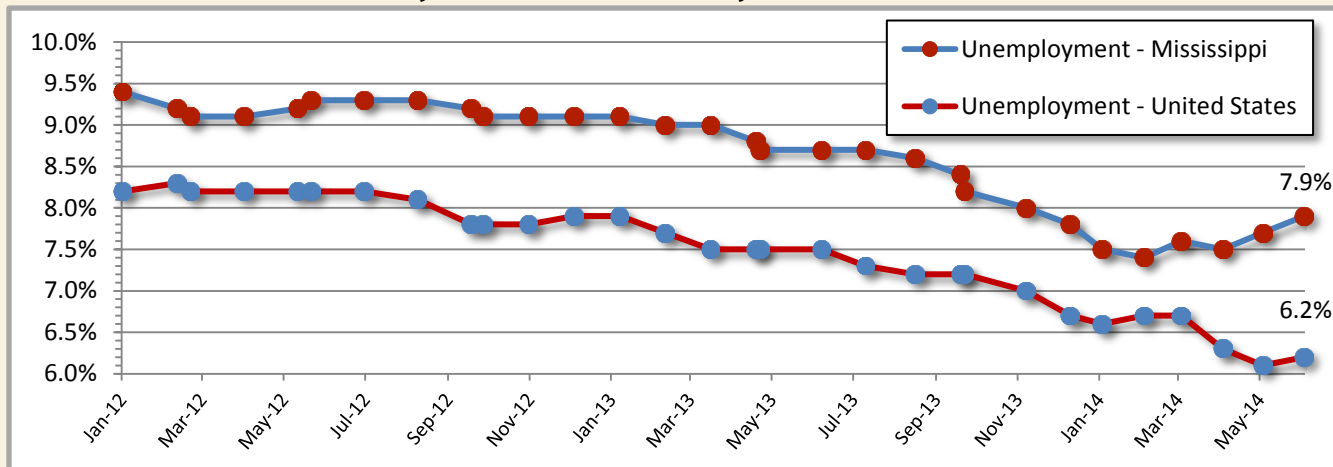


Treasury Notes

Office of the State Treasurer Lynn Fitch

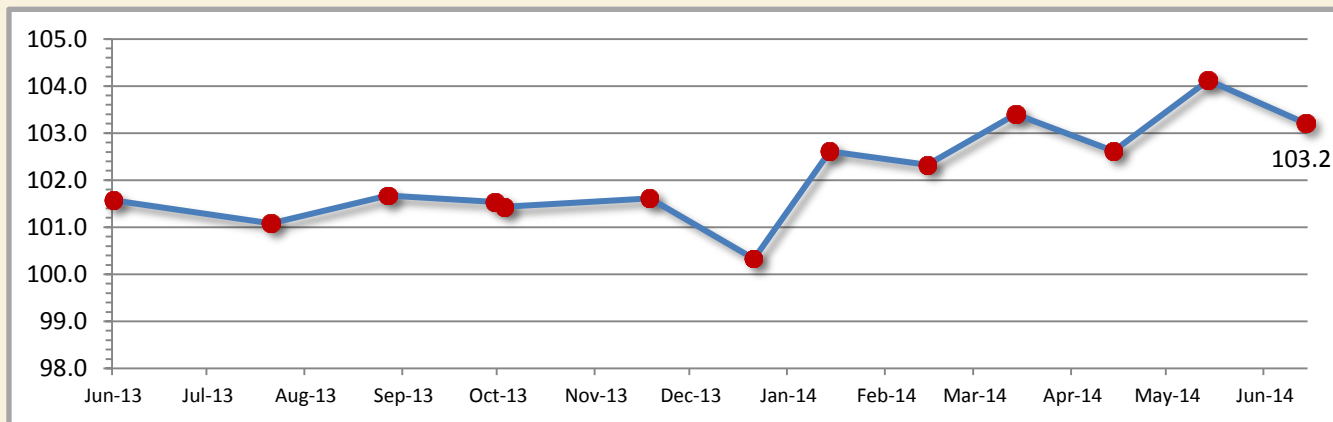
ECONOMIC STATISTICS

MS UNEMPLOYMENT RATE – JULY 2012 THROUGH JUNE 2014



The Unemployment Rate is the percentage of the total labor force that is unemployed, but actively seeking employment and willing to work. According to the August "Mississippi Business" newsletter published by the University Research Center (Mississippi Institutions of Higher Learning), "For the first time in 2014, seasonally-adjusted initial unemployment claims in Mississippi totaled more than 10,000 in June. Total initial claims jumped 13.4% for the month to their highest level since July 2013."

LEADING INDEX – JULY 2013 THROUGH JUNE 2014



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. Mississippi Leading Index lost 0.9% in June. In addition, the index dropped to 103.2 after reaching an almost 7 year high in May.

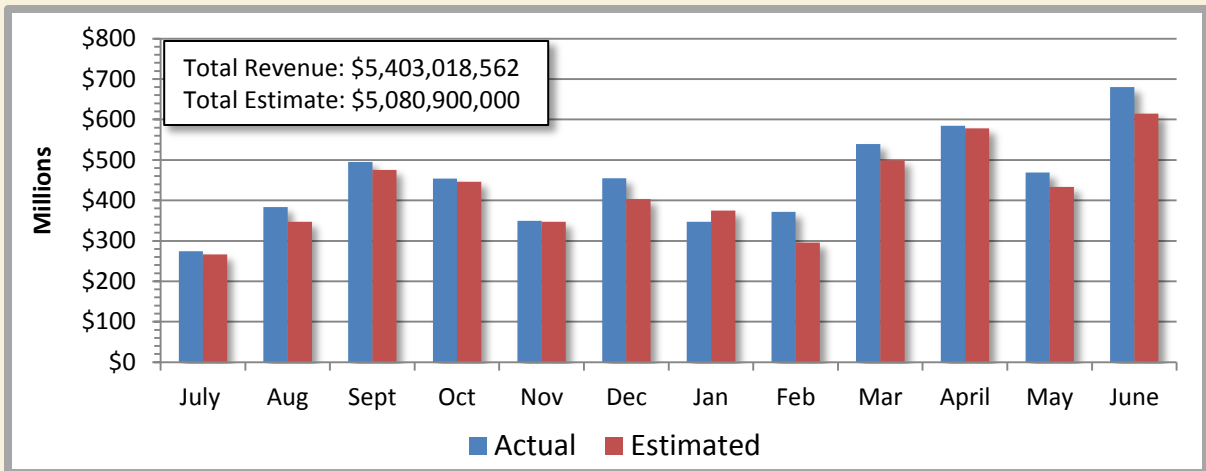


Treasury Notes

Office of the State Treasurer Lynn Fitch

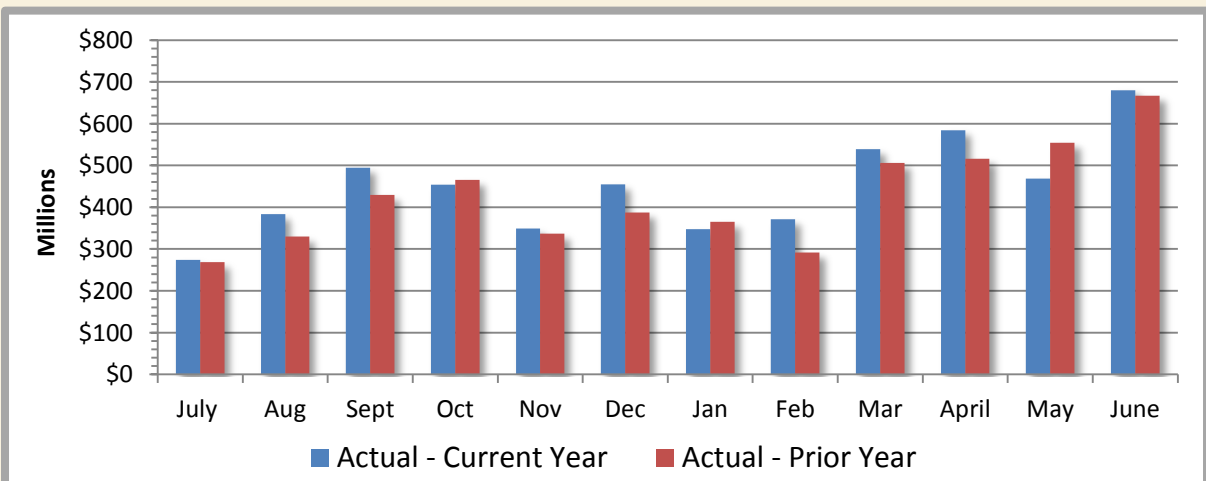
REVENUE COLLECTIONS

REVENUE (ACTUAL VS. ESTIMATED) – FY 2014



The above chart reflects the Fiscal Year 2014 General Fund monthly revenue collections compared to the monthly revenue estimate. In every month except January 2014, the collections exceeded the estimate. Overall for the fiscal year, the collections exceeded the revenue estimate by \$322.1 million or 6.34 percent. Actual General Fund revenue collections for Fiscal Year 2014 were \$5.403 billion.

REVENUE (ACTUAL – CURRENT YEAR VS. PRIOR YEAR) – FY 2014



The above chart illustrates the General Fund revenue collections by month as compared to the prior year. The state experienced year-over-year growth in nine of the twelve months in fiscal year 2014.

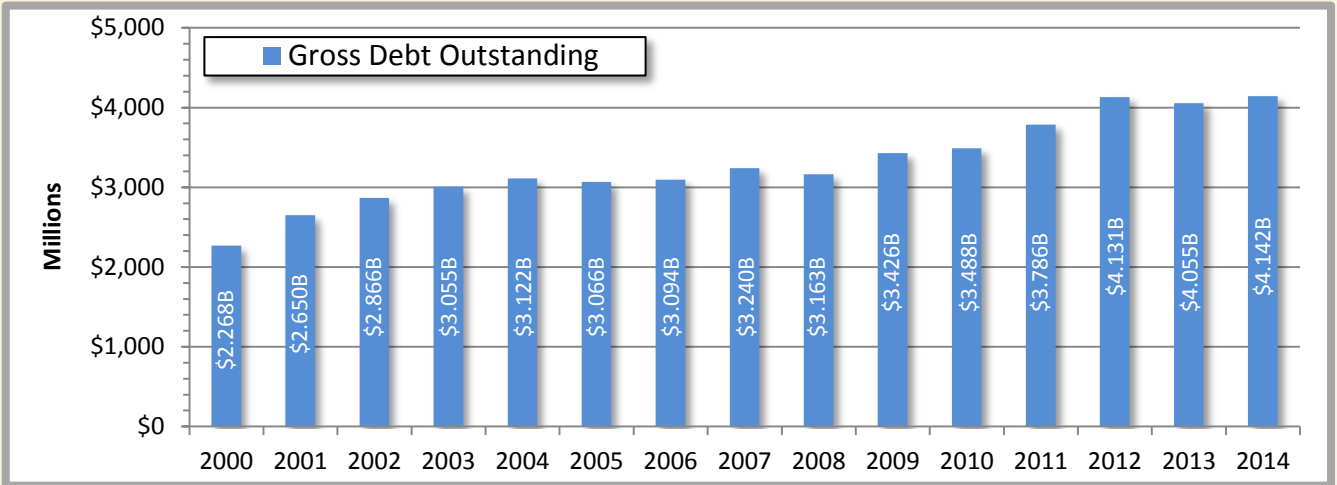


Treasury Notes

Office of the State Treasurer Lynn Fitch

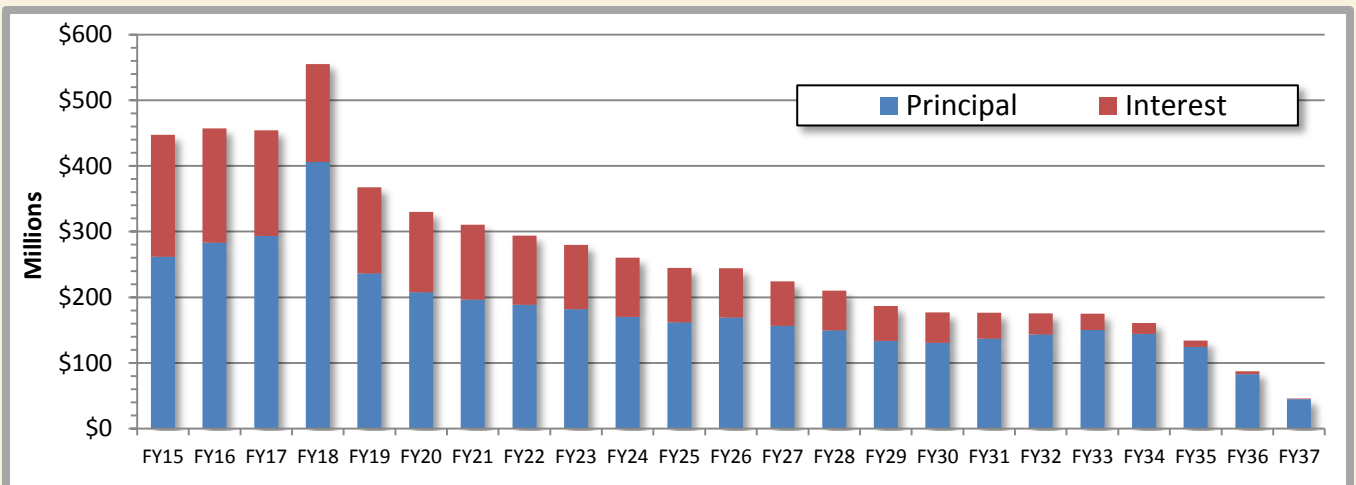
DEBT SERVICE

BOND INDEBTEDNESS – FYE 2000 THROUGH FYE 2014



The State's Bond Indebtedness as of June 30, 2014 was \$4,142,675,000. This debt is comprised completely of net direct general obligation bonds (the State no longer carries any self-supporting bonds as part of the debt portfolio.) Conservative issuance authority on the part of the legislature along with conservative issuance on the part of the State Bond Commission over the past several years has created a flattening out of gross debt outstanding.

DEBT SERVICE SCHEDULE – FY15-FY37



The above graph illustrates the State's existing annual debt service requirements with principal and interest payments combined. The spike in FY18 is attributed to a balloon payment from the Floating Rate Bonds issued in FY13. The bonds mature in FY18 and the intent of the State Bond Commission is to restructure this debt and extend the maturity at that time.