

# EMPOWER MISSISSIPPI



## MOVING THE NEEDLE

Select Recommendations for Improving  
Mississippi's Labor Force Participation Rate

JANUARY 2025



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# INTRODUCTION

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The following pages present Empower Mississippi's second published report studying the state's labor force participation rate. Mississippi's rate has been among the lowest in the country since the federal government began collecting this data in the 1970s. Empower set out to identify why this is happening, with the goal of producing recommendations on ways to increase the number of people working. Our approach to researching this issue includes both a quantitative and qualitative aspect, as we believe numeric data is enhanced by localized context.

Empower set out to study this topic for several reasons, the most important of which is our belief that work is fundamentally good, fulfilling, and essential to the human experience. One way to measure how many people are working and/or looking for work is the labor force participation rate (LFPR) metric. Economic research shows a strong relationship between the economy

and the LFPR, with slower economic growth and rising dependency accompanying lower LFPR and higher growth and less dependency accompanying higher LFPR. These findings are aligned with recent Mississippi economic data. State Economist Dr. Corey Miller shared findings with the Joint Legislative Budget Committee (JLBC), highlighting the "pretty good" move in the labor force participation rate, which increased one full percentage point from April to October (53.7% to 54.7%) of 2024. This uptick coincides with income tax revenue collections above current estimates, which Dr. Miller says is at least partially attributable to the rising LFPR. The most recent labor force participation data shows further improvement, with Mississippi's rate at 55.0% in November 2024.

Since the publishing of our first analysis in August, Empower has continued researching, hosting meetings, and soliciting feedback from stakeholders, experts, lawmakers, and everyday citizens. We appreciate every person who has offered information, assistance, or comments on the issue. In this report, we provide a quick refresher about the labor force participation rate (LFPR), how it is calculated, and why it matters, and offer a policy solutions framework focused on groups with persistently low labor force rates, unique barriers, and/or specialized skills. These recommendations are based on our research thus far. As we continue to study the issue, more of our findings and recommendations will be presented.



# WHAT IS THE LABOR FORCE PARTICIPATION RATE, AND WHY DOES IT MATTER?

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As a reminder, the labor force participation rate (LFPR) is essentially the percentage of people who are old enough to work and are either currently working or are trying to find a job. Officially, the U.S. Bureau of Labor Statistics (BLS) calculates this rate using the following definitions:

- ü Labor force = Number of people employed + number of people actively looking for employment but are not currently employed
- ü Labor force participation rate = Labor force divided by the total working-age population of the state (with a few exceptions, such as those who are in the military or in institutions such as prisons or nursing homes) aged 16 and older

Often, people are not in the labor force because they are full-time students or retirees.

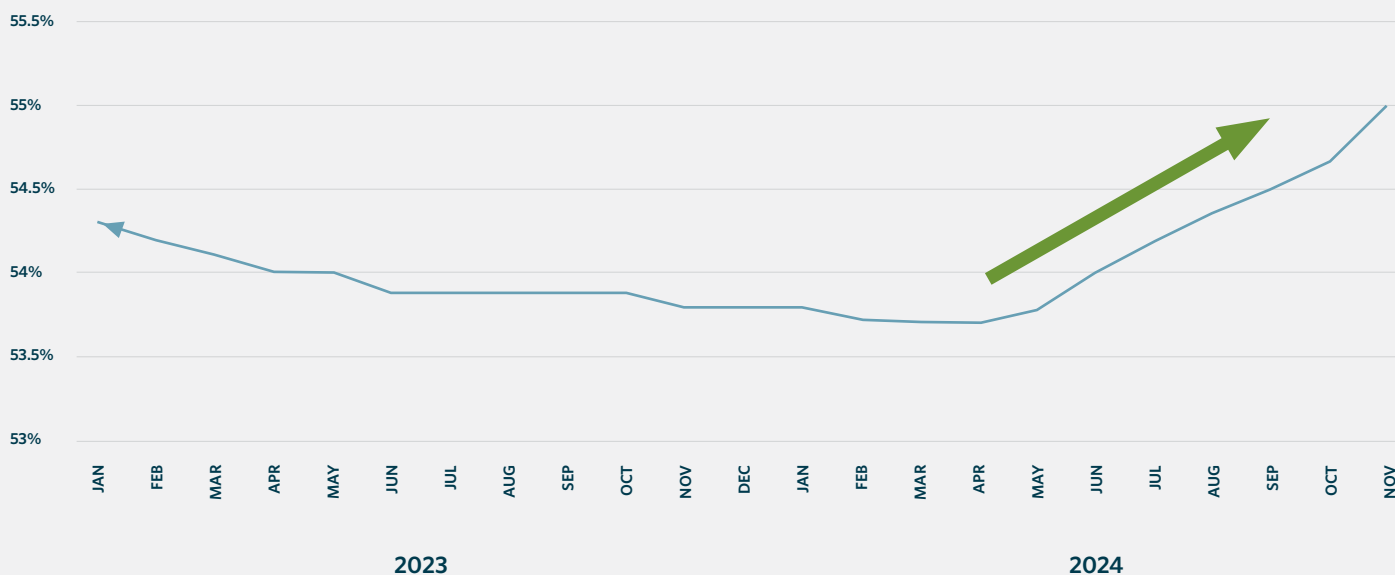


Sometimes, family responsibilities keep people out of the workforce, such as a stay-at-home parent who is working to raise children but is not officially considered part of labor force statistics. In general, people are not considered to be in the labor force if they neither have a job nor are actively looking for work.

Mississippi's LFPR has been among the nation's lowest for many years, never ranking higher than the mid-40s among all states since the BLS began collecting this monthly and annual data in 1976. The state ranked 49th in its LFPR (beating only West Virginia) from 2013 until 2023, when the average monthly labor force participation rate reached 53.9% - the bottom of U.S. rankings. (For comparison, the U.S. rate for 2023 was 62.7%.)

In our first report, we cited several studies that

## Mississippi's LFPR



find a strong relationship between healthy economies and high labor force participation rates. One [report](#) from a Federal Reserve Bank showed that slower economic growth and rising dependency accompany low rates of labor force participation, while others showed higher tax rates and lower gross domestic product (GDP). A U.S. Congressional [report](#) noted that higher participation in the labor force resulted in more tax revenues, as the number of people paying income and payroll taxes tends to rise.

These findings align with a recent [presentation](#) from State Economist Dr. Corey Miller, who highlighted economic trends in a presentation before the Joint Legislative Budget Committee (JLBC) in November. When looking at the first four months of revenue collections for the current fiscal year (FY 2025), individual income taxes have risen by 1.6% over the previous year, even after a tax reduction went into effect in January. As of October 2024, individual income tax collections were four percent, or about \$30

million, above current estimates established by the JLBC. Dr. Miller cited the state's labor force participation rate as a contributor to this growth. From April to October, the labor force rate increased a full percentage point, from 53.7% to 54.7%, a growth rate characterized by Dr. Miller as "pretty good." The most recent labor force participation data shows continued improvement, with the November 2024 rate at 55.0%.

**Beyond economic value, Empower believes work is good for everyone and essential to the human experience. Work provides dignity and purpose, and we believe it is a God-given opportunity to find meaning.** While some may be unable to work due to disability or hardships, most people flourish when they earn their own success. Sen. Daniel Sparks, chair of the Senate Labor Force Participation Study Group, framed the importance of self-sufficiency during a recent radio [interview](#): "I want government to assist where necessary, but I do not want us to

become reliant on government. That does not push toward individualism and the freedoms this country was founded upon.”

For more in-depth discussion of the rate and why it matters, refer to our first report, [“Why Aren’t More Mississippians Working?”](#)

### **LABOR FORCE PARTICIPATION: ONE PIECE OF THE ECONOMIC DEVELOPMENT PUZZLE**

Dr. Corey Miller’s testimony before the legislative budget committee in 2024 described strong growth in the state’s labor force participation rate. As mentioned earlier, Mississippi saw its labor force participation rate increase from 53.7% to 55.0% from April to November 2024. This growth comes on the heels of major economic development announcements and investments which portend even more growth in the future.

As noted in our first report, Mississippi has seen its economy grow significantly due to record capital investment, historic tax cuts, regulatory reforms, and other pro-growth actions. In October, Gov. Tate Reeves [announced](#) more than \$110 million toward economic development, infrastructure upgrades, workforce development, tourism, and conservation efforts. These types of investments are coupled with record-breaking private sector projects announced in Jackson, the Mississippi Delta, Scott County, and other areas of the state. Additionally, the Governor’s [Executive Budget Recommendation](#) calls for continued investments in project-ready sites and the elimination of the state income tax. These policy recommendations are designed to attract more private sector investment, create more job opportunities, and strengthen the state’s economic competitiveness.





## POLICY SOLUTIONS

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Empower released its first report on the state's labor force participation rate in August, sharing these findings with the public and policymakers. That report provided baseline information regarding the state's labor force participation rate, historical context and economic trends, an analysis of demographic factors related to LFPR conducted by [NSPARC](#) at Mississippi State University, and other findings. The analysis included data from 2010 through 2023.

Since that time, Empower has continued studying this issue with an eye toward policy recommendations. Because this issue is so broad, there are any number of recommendations that may impact the state's labor force participation rate. To narrow our focus, we identify high-impact opportunities using data analysis to inform our policy recommendation framework. In general, we focus on solutions for groups with persistent low labor force participation rates, unique barriers, and/or specialized skills.

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### ELIMINATE THE TAX ON WORK

Empower agrees with President Ronald Reagan's oft-quoted views on taxes ("if you want less of something, tax it") – and believes the inverse is also true. **We believe responsibly eliminating the tax on work, also known as income tax, is a strong step toward improving the state's labor force participation.** As noted in our first published report on labor force, creating an environment where job creators can thrive is an essential element in growing the state's economy, and this policy would foster additional growth. Empower commends Governor Tate Reeves and legislative leaders for their efforts to eliminate the government's tax on work and increase economic freedom for Mississippi workers.

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### ENCOURAGE EARLY WORK EXPERIENCE FOR YOUTH

In our first study, NSPARC analyzed labor force rates by age, noting the largest decline was among Mississippians aged 16-24, falling 5.9% – nearly three times higher than the next group to see a decline. Mississippi's labor force participation rate for those aged 16-24 was 43.6% (compared to the state average of 53.9%).

The decline in youth and young adult workforce participation is concerning, as data suggests early employment experiences lead to better outcomes later in life. A National Bureau of Economic Research (NBER) working [paper](#) studied the acquisition of cognitive and non-cognitive skills and their impact on lifetime

success. The researchers found that “skill development is a dynamic process, in which the early years lay the foundation for successful investment in later years.” According to the NBER working [paper](#), youth in workplaces are better positioned to develop personal autonomy, motivation, optimism, a professional work ethic, and self-esteem based on accomplishment. The paper also noted the importance of skills training, describing character as “a skill, not a trait... character is shaped by families, schools, and social environments,” like workplaces.

Employment Policies Institute released an [analysis](#) of youth employment trends that found early work as “clear evidence” of future career success, like higher hourly wages, increased annual earnings, and less time spent out of work. These results are seen even decades after high school, with a roughly 25-30 year impact. For example, the analysis found that a high school senior in the 2000s who worked part-time (20 hours per week) saw annual earnings that were 20 percent higher 6-9 years after graduation compared to peers who did not work. These effects are still seen when evaluating high school students from the 1970s and 1980s who have been in the workforce for decades, with their annual earnings 7 percent higher than their peers who did not work in high school. Researchers found these future career benefits are occurring “specifically as a result of the career experience that’s gained in early work experience...this study suggest[s] entry level work – at restaurants, at grocery stores, at a local retailer – plays a significant role in career development.”

**Empower recommends that parents, policy makers, school and church teachers, coaches,**

**and coaches, and others with influence in young people’s lives to encourage and provide opportunities for them to engage in work, no matter how menial, while they are young.**

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## TEACH SUCCESS SEQUENCE

Youth employment matters for long-term success and, given demographic trends, is an opportunity for improvement in Mississippi. Empower believes this is the right time for a serious conversation about the culture of work among our young people and to promote pathways that lead to success. One such pathway is known as the “[Success Sequence](#),” a formula advanced first by The Brookings Institution. Simply put, the sequence of life events needed for “success” is to finish high school, get a full-time job, and wait until marriage to have children.

Brookings researchers found that of American adults who follow these three steps, only about 2 percent are in poverty and nearly 75 percent have joined the middle class (defined as earning about \$55,000 or more per year). Brookings suggested policymakers consider ways “to convince young people that their decisions will greatly influence whether they avoid poverty and enter the middle class. Let politicians, schoolteachers and administrators, community leaders, ministers, and parents drill into children” this message of success. After all, teenagers are “capable of understanding principles and of using them to help make decisions. Anyone who delivers messages to teens about the consequences of decisions that could affect them and others for many years should be praised not criticized.”

Empower wholeheartedly agrees. **We encourage policymakers, community leaders, elected officials, coaches and athletes, and other thought leaders to promote the Success Sequence, particularly among Mississippi's youth. One such avenue for influencing high school youth is the statewide career coaching program recently established in Mississippi.**

Highlighted in our first report, this program at AccelerateMS (the state's Office of Workforce Development) has placed a growing number of career coaches in school districts statewide to work directly with students to expose them to employment opportunities and to help them create a post-graduation plan. This community-driven program with embedded student liaisons is well-positioned to promote the Success Sequence to Mississippi's high school students.

This isn't the first time Empower has promoted the Success Sequence. In 2021, CEO Grant Callen published a [column](#) entitled, "The Success Sequence matters. So does good policy." Callen observes that these steps "may be simple, but they certainly are not easy, especially for a child born into poverty, addiction, or a broken family. For many kids, the cultural forces at play in their home life make these rules incredibly counter-cultural and challenging."

This is particularly important in a state like Mississippi. Data from the Centers for Disease Control (2022) shows 54.3% of births in Mississippi are to unmarried women, the second highest such rate in the U.S. The state's teen birth rate is 26.4%, the highest rate in the nation. As Callen puts it, "the data clearly indicates that relationship habits matter deeply to long-

term prosperity. When a struggling teenager becomes pregnant, it's often the catalyst that results in a life of continued struggle because education, work, and marriage didn't come first... We shouldn't be afraid to say that not all family structures promote flourishing. There is a path to success and a path to struggle."

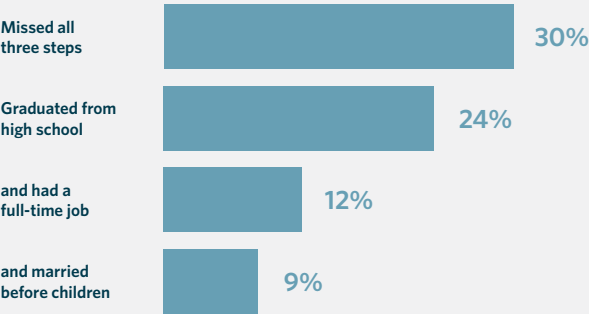
Empower recognizes the work of State Auditor Shad White, whose 2022 fatherlessness study showed that children without fathers in the home are less likely to obtain a high school degree, more likely to go to prison, and more likely to become teen parents. Auditor White has spoken publicly of the Success Sequence. We agree with many of his points, as well as with the overall public policy goal of reducing the number of people who will have to face challenging odds by becoming single parents. Jason Riley, whose Upward Mobility [column](#) in the Wall Street Journal has run since 2016, says this goal means "calling out behavior that is objectively harmful to people and society in general."

**The Success Sequence has also been linked to improved mental health.** A 2024 report used data from the National Longitudinal Survey of Youth (NLSY) to explore the relationship between the success sequence and mental health among young adults in their mid-30s (millennials). The report found that incidences of high mental distress among young adults aged 32-38 drops significantly with each completed step of the Success Sequence. For example, 30% of millennials who missed all three steps of the sequence experience high levels of distress. That number drops for those who graduated high school (24%) and is even lower for those

who also had a full-time job (12%). Just 9% of millennials who completed all three steps experienced high levels of emotional distress. Furthermore, the report notes that the sequence remains a significant factor in predicting young adult mental health – even after adjusting for factors like income, gender, race, and family background.

**Completing the Success Sequence reduces the chance of being emotionally distressed**

% of adults ages 32-38 that are highly emotionally distressed after completing each step



Notes: Based on adults surveyed in 2017-18. Education and employment measured in 2010 when the adults were in their mid-20s. Source: IFS analysis of National Longitudinal Survey of Youth 1997 cohort (NLSY97).

Institute for Family Studies

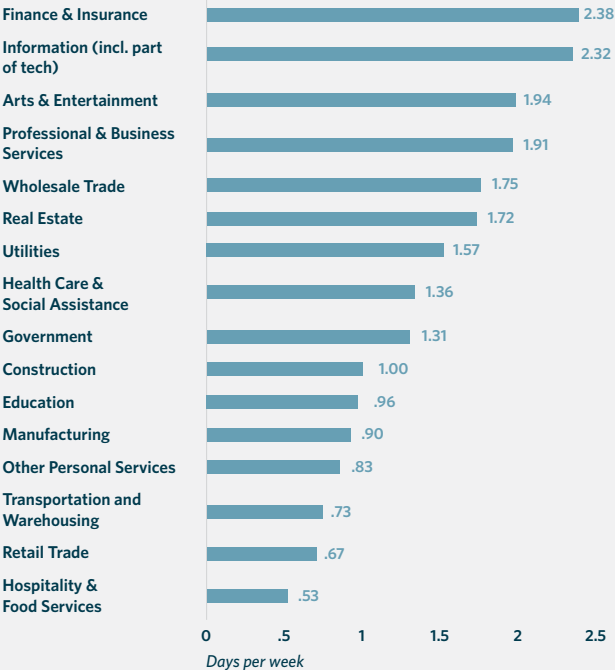
Promoting a simple, understandable message of life success based on data analysis and years of research can improve the state’s labor force participation rate among youth ages 16-24. More importantly, however, it may help men and women across the state avoid poverty, have enhanced self-sufficiency, and live better lives.

**ENCOURAGE REMOTE WORK OPPORTUNITIES**

We support actions that position the Mississippi economy for continued success, including

regional and local approaches that reflect the unique needs of communities. Day-to-day routines of Americans were impacted by COVID-19, and migration patterns in rural places have changed. Since 2020, U.S. rural (nonmetro) counties have grown, reversing years of decline. This is a trend on which Mississippi could capitalize. On balance, more people are staying in rural counties. The U.S. Department of Agriculture’s [Rural America at a Glance](#) for 2023 observed about a quarter percent of population growth and a reduction in persistent poverty rates in rural areas.

**Current working from home: All wage and salary employees**



With increased mobility comes increased opportunities for rural states like Mississippi. A 2024 WFH Research national [survey](#) shows that about 28% of paid full days were “work from home,” with respondents saying their employers

expected them to work remotely at least 2 days per week. Industries with the most remote work include finance, technology, arts and entertainment, and professional and business services.

**With strategic investments in infrastructure (including broadband), low income tax rates, and low cost of living, Mississippi and its communities may benefit from a focus on attracting remote workers, especially college graduates educated in the state but who choose to leave post-graduation.** This is sometimes referred to as “brain drain.”

A [program](#) in Tulsa, Oklahoma (population: 411,894) has been lauded nationally as a specialized incentive program for remote workers. Known as Tulsa Remote, the program provides a \$10,000 cash bonus to those individuals relocating to the city, as well as office space, special housing opportunities, and other perks, like local discounts. The requirements for eligibility include age (must be 18 or older), authorized to work in the U.S., currently employed in a full-time job outside Oklahoma, can relocate to Tulsa within 12 months, and must have lived outside the state for one full year before applying.

A Mississippi program has also gotten national publicity. [Shift South](#) provides a \$6,000 incentive to families who can work remotely and relocate to Natchez (population: 13,933), so long as they commit to purchasing a home for at least \$150,000 and staying in the Natchez area for one year. Employment outside the region is verified prior to funds being awarded, with

program measures in place to prevent fraud. A Natchez Inc. official said that families from 11 different states used all 30 incentive spots, so the City of Natchez allocated an additional 20 spots. Another 15 to 18 families located in the community without taking advantage of the incentive. Natchez Inc. officials estimate the related news coverage to have generated over \$16 million worth of free advertising for Natchez, as the program was covered by every major news outlet and remained at the top of the Google search engine for 18 hours straight.

**While the entire state has a low labor force participation rate, each community is different, and localized approaches will be important to fully tackle the labor force participation rate challenge.**

#### **IMPLEMENT LOCAL DATA COLLECTION PILOT PROJECT**

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Empower believes data collection and integrity is critical to the issue of labor force participation. After all, it has been said that “what gets measured, gets done.” But what is being measured, exactly?

The official labor force participation rate (LFPR) is published by the U.S. Bureau of Labor Statistics (BLS) using data from the Census Bureau’s Current Population Survey (CPS). The CPS samples approximately 73,000 households per month nationally via trained interviewers conducting telephone and in-person interviews, collecting detailed information through 16 items pertaining to an individual’s employment status (self-employment, job tenure, work

status, unpaid family work, hours worked, layoff, active and passive methods of job search, and availability for work). In 2023, the average monthly response rate was 68.3%.

The federal government also collects data through the American Community Survey, an annual household survey designed to replace the decennial census long form. As the ACS is part of the decennial census, respondents are required to complete the survey by federal law. Relative to the monthly CPS survey, which is designed to exclusively collect demographic and labor force characteristics, the ACS is designed to capture a wide range of demographic, economic, social, and housing-related characteristics. The ACS samples approximately 3,500,000 addresses per year via mail, telephone, and in-person interviews and/or online surveys to collect information through seven items pertaining to work status, layoff, job search, and availability for work. (To read the questions asked in the surveys, click [here](#).)

Empower has used data from both the CPS and ACS in analyzing labor force participation trends. During our study, many stakeholders have questioned the quality of BLS data, including the calculation of the labor force rate, how certain populations are defined, and the types of questions asked during the survey. This aligns with voter trends from the recent presidential election, in which many have expressed a desire to increase scrutiny of federal data and to return authority back to the states.

In fact, states, including Mississippi, have previously expressed concern about congressional changes to centralize data collection at the BLS. In 2011, the BLS

restructured one of its surveys (Current Employment Statistics State and Area program), transferring the State and Metropolitan Area estimation function from individual state workforce agencies to the BLS. According to a congressional [report](#), states were originally responsible for “sample selection, most data collection, and production and dissemination of monthly estimates for their Statewide and MSA series. Over time, BLS assumed responsibility for most of these functions to reduce program costs and ensure consistency of methods and procedures across the program.” States have retained responsibility for gathering and providing information to BLS on local economic events.

While Empower supports methodologies that promote data integrity, we believe the government closest to citizens is often the best. Take, for example, the Mississippi Department of Employment Security (MDES), which recently conducted a data dive to examine certain populations within the state that earned wages in at least one of the first three quarters of 2023 but not in the fourth quarter. Through data analysis, MDES identified more than 107,000 specific individuals who were no longer in the labor force. MDES also conducted a survey of most of those individuals in early 2024 that shows for those not working, 61.2% said the primary barrier is a lack of good job opportunities (38.8% said a lack of opportunities in general, and 22.4% said “low paying jobs”). Respondents also listed personal health (32.3%); transportation (18%); and childcare (13.9%) as barriers. (The barriers were not exclusive, and respondents were able to select more than one.) We commend this type of granular approach, which may help policymakers

develop targeted initiatives to improve the labor force rate.

It is this kind of local insight that could help federal data collectors capture information that precisely measures labor market trends.

**We believe the time is right for Mississippi to pursue a state-based data collection pilot project in which the state measures its own economic data and compares this to the customary BLS data.** Empower notes states like South Carolina have embraced a [survey](#) approach when conducting a labor force participation study to get more localized data. Other methods could be explored. Whatever method is used could build on data already collected from employers by MDES.

This project could be conducted at any scale; consider a pilot that measures data in a city or even a region. **A multi-state collaboration led by the Governor could demonstrate to federal policymakers the important role states can play in collecting and measuring labor market data.**

This type of project could tackle complex data points, such as what is being measured and what *should* be measured. Take parenthood, for example. There is tremendous economic and societal value in choosing to stay home and raise children instead of working full-time. However, based on current methodology, the BLS does not put a value on parents raising children. Empower received feedback from a citizen who shared that he agrees “about the value of work in both an economic and philosophical sense...It is important to recognize, particularly in a relatively traditionalist and conservative

state such as Mississippi, that many women (though, increasingly men as well) choose to stay home with their young children...They do plenty of valuable ‘work,’ but that work is often unrecognized, at least by BLS and similar econometrics.” Empower agrees and supports a state-led project that gives the academic freedom and flexibility to develop a method to capture the value of all work, irrespective of compensation.



In keeping with a localized approach, Empower believes the labor force participation rate puzzle can only be solved by keeping local dynamics in mind. Not all changes will work universally, and meeting local needs will be critical to achieving success. We commend the Senate Labor Force Participation Rate Study Group for hosting meetings outside Jackson, including one in the Mississippi Delta. Empower believes this is the right approach to truly understand unique needs in communities. Toward this end, Empower will host focus groups with certain populations in various areas of the state to learn more about their individual challenges, barriers to employment, opportunities to improve, and other feedback. Policy recommendations will only be enhanced by speaking to the people who are affected by the issue – not those who simply talk about it.

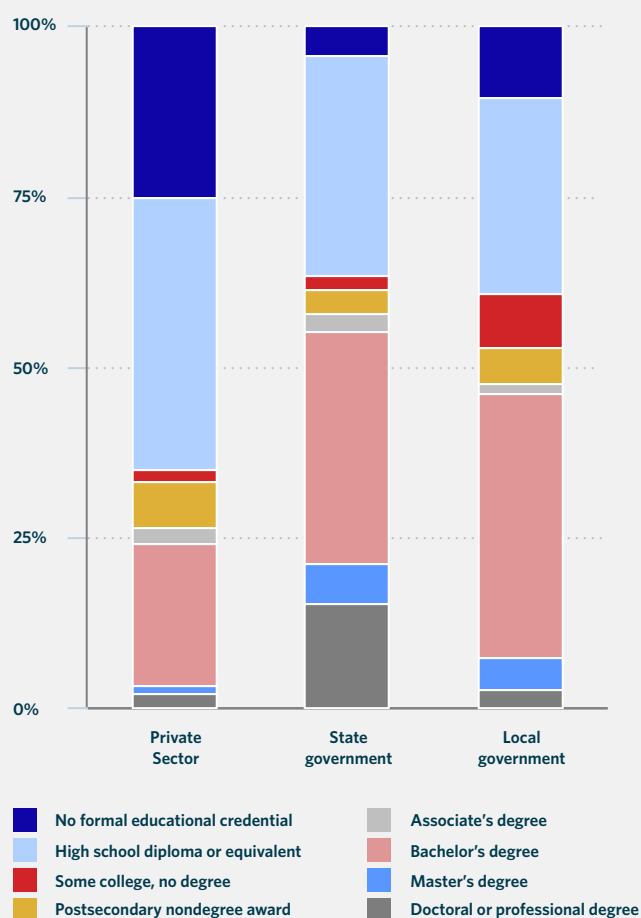
## ELIMINATE UNNECESSARY DEGREE REQUIREMENTS (SKILLS-BASED HIRING)

In Empower CEO Grant Callen’s opinion piece on the success sequence, he writes that “personal choices matter, but so does policy. Mississippi has tremendous institutional barriers that make it far too difficult for our young people to follow this path...[the success sequence] ought to serve as a framework for public policy conversations about how to help ensure more Mississippians achieve the American dream.”

**One place to start is for the state government to remove unnecessary prerequisites for its own labor force.** Consider requirements for government jobs. Many state or local government jobs require a four-year college

degree, irrespective of the skills needed or the salary level. Data suggests that public sector jobs often default to requiring a bachelor’s degree at higher rates than private sector jobs. BLS national data shows that occupations typically requiring postsecondary education for entry made up 63.5% of state government employment and 61.1% of local government employment, compared to 35.0% of private sector jobs. A quick glance at the Mississippi State Personnel Board’s job postings shows alignment with these numbers. For example, Empower observed an open position in a state agency that paid less than \$32,000

*Percent distribution of employment by typical entry-level educational requirement in the private sector, state government, and local government, May 2020*



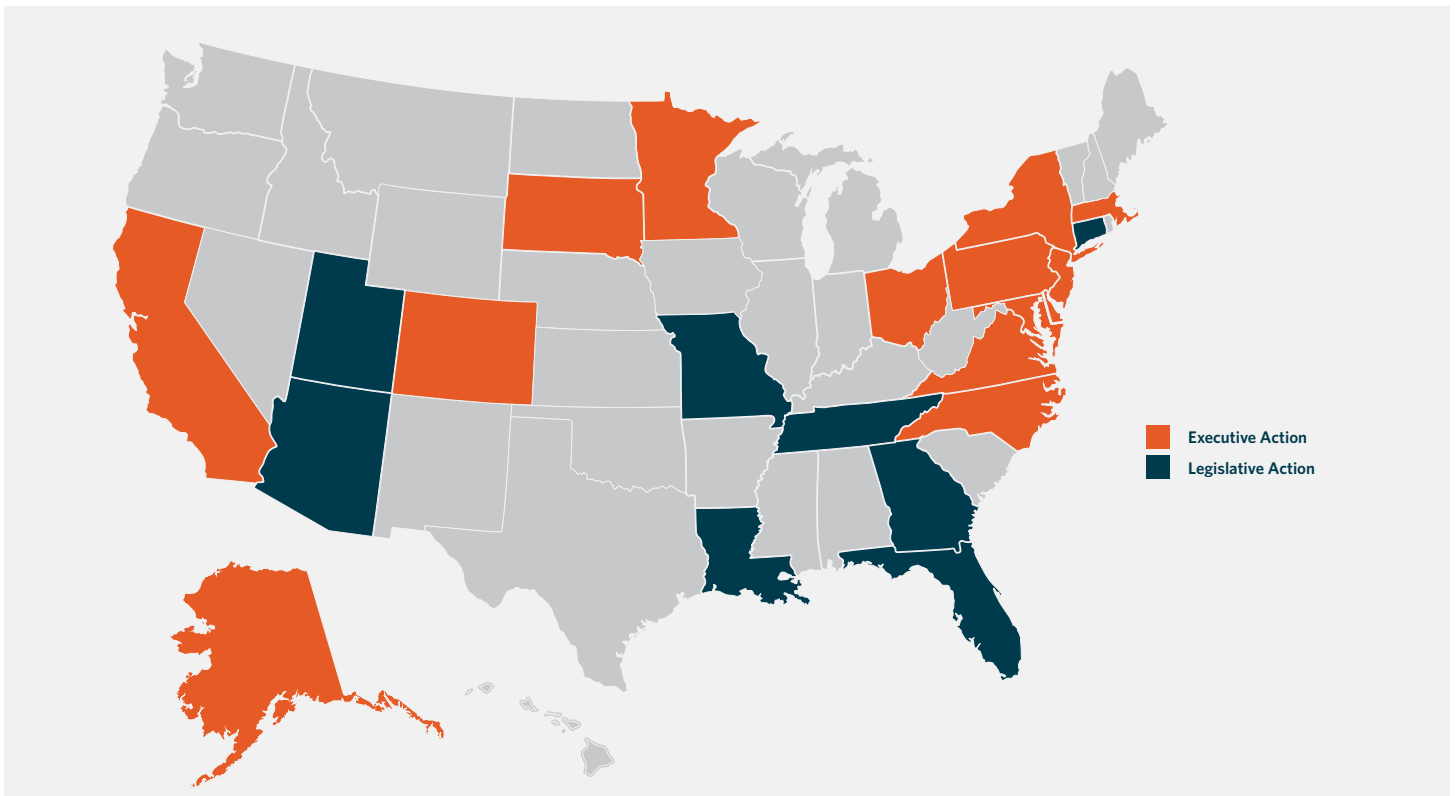
annually but required both a bachelor's degree and some years of experience. This position was neither technical nor specialized.

Empower believes in providing more opportunities to citizens in this state by removing unnecessary educational requirements for state jobs. Policymakers in 22 [states](#) have taken either executive or legislative action to remove unnecessary degree requirements for public jobs and implement skills-based hiring practices. Southern states like Louisiana, Tennessee, Georgia, and Florida have passed legislation, while states like Virginia and North Carolina have taken executive action.

These actions mirror the private sector, where companies like Walmart, IBM, and Accenture are prioritizing skills-based recruitment strategies. A 2024 Intelligent survey of 750 American

businesses found that 33% of companies eliminated bachelor's degree requirements, with more waivers coming in 2025; the top reason for cutting degree requirements was to prioritize skills over degrees; and 75% of business leaders from companies that removed degree requirements say it has benefited their organization.

President Donald Trump issued the "Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates" executive order ([EO No. 13932](#)) in 2020 to direct the federal government to evaluate job applicants' skills instead of earned degrees in the hiring process. The executive order states that "employers adopting skills- and competency-based hiring recognize that an overreliance on college degrees excludes capable candidates and undermines labor-market efficiencies." President Joe Biden [continued](#) this

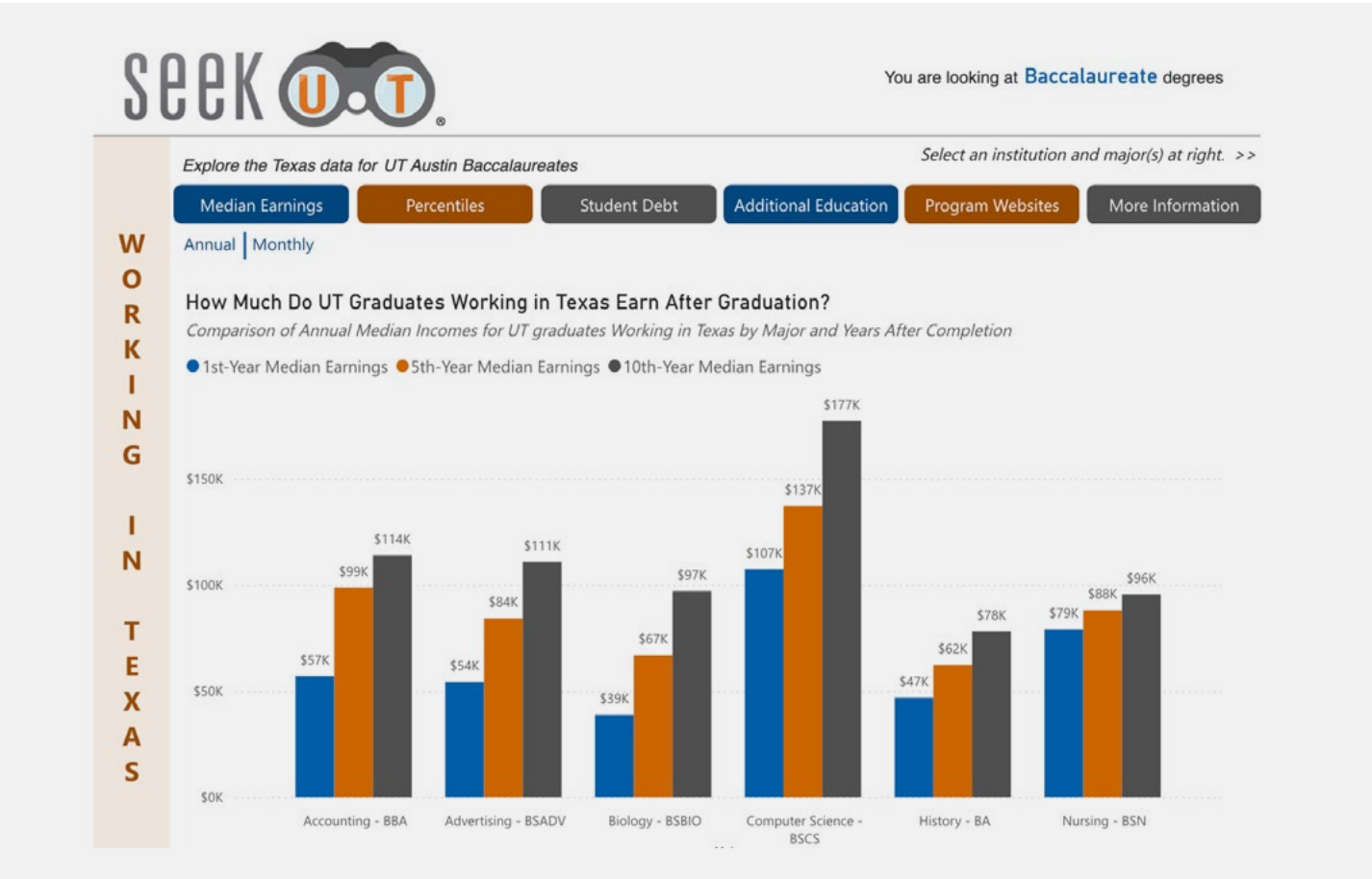


evaluation, making a push to remove degree requirements where possible for federal workers in the Information Technology sector.

**Empower recommends a PEER Committee evaluation of state government jobs to determine which positions require skills that necessitate a college degree and which ones do not. Consistent with the findings of that study, Empower recommends executive and/or legislative action to remove degree requirements where they are not necessary.** Empower believes a default approach to hiring should give due consideration to other work, life, or educational experiences in the applicant’s background beyond a college degree in order to prioritize skills-based hiring.

**PROVIDE TRANSPARENCY IN THE VALUE OF A COLLEGE DEGREE**

Empower believes in freedom of choice for Mississippians to pursue their passions. Consistent with that belief, we also believe **college students should be presented with real-time earnings information related to their field of study.** The University of Texas has addressed this with a robust portal accessible by students, parents, and the public. The system is called [seekUT](#) and allows viewers to calculate potential earnings from one of the system’s 13 institutions based on their undergraduate majors, graduate programs, or professional degree programs. Users can view median earnings of graduates who live in Texas and then



compare this data to UT-member graduates throughout the nation. The system also has information on debt load carried by graduates after one year, five years, and 10 years, as well as the percentage of monthly income spent by graduates on debt repayment at each point. Launched in 2014, this portal provides a quality blueprint for demonstrating the earnings value of college education. **Mississippi universities and policymakers should follow this model, enabling students, higher education officials, and policymakers to have the information they need, at the right time, to make more informed decisions.**

## REDUCE REGULATIONS

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The issue of regulatory reform is not unique to Mississippi. During his first term, President Trump issued an [executive order](#) requiring the elimination of two regulations for every new rule implemented. The President explained that regulation will exist but “there will be control...it will be a normalized control where you can open your business and expand your business very easily.”

Rational regulatory reform is ongoing in Mississippi, and Empower encourages state leaders to continue these efforts. [Data](#) from the Office of the Secretary of State show that Mississippi stifles about 13,000 job-creating opportunities due to licensing regulations alone, with occupational licenses required in a growing number of jobs (from 4% to nearly 20% over the past 60 years). Secretary of State Michael Watson launched the “Tackle the Tape” initiative in 2020 to cut the state’s anti-competitive

regulations, which restrict economic growth and development. The Occupational Licensing Review Commission, on which Secretary Watson serves with Gov. Reeves and Attorney General Lynn Fitch, has voted on more than 131 regulation cuts, like removing burdens on former state law enforcement officers returning to duty from a federal or other state jurisdiction; reducing and restricting continuing education requirements for physician assistants; and reducing burdensome testing requirements and creating universal licensing reciprocity for licensed professional counselors.

**Legislative leaders should also be commended for their work to reduce unnecessary regulations and bureaucratic red tape.** In 2021, the legislature passed the Universal Recognition of Occupational Licenses Act to formally recognize licenses from other states if certain conditions are met, such as the licensed individual becoming a Mississippi resident and having been licensed in good standing for at least one year in the state from which they moved. **We encourage lawmakers to continue these efforts to reduce barriers to employment and encourage work opportunities for Mississippians.**

Regulatory reform may seem boring to some, but it makes a huge difference in the lives of everyday Mississippians. For example, Empower received citizen feedback focused on this issue: “Part of Mississippi’s issue with people working is licensing regulations being so hard...I have fallen victim to this myself.” This citizen was unable to take a licensing exam due to a shortage of testing sites, which caused her to miss a deadline by which she was required to take the

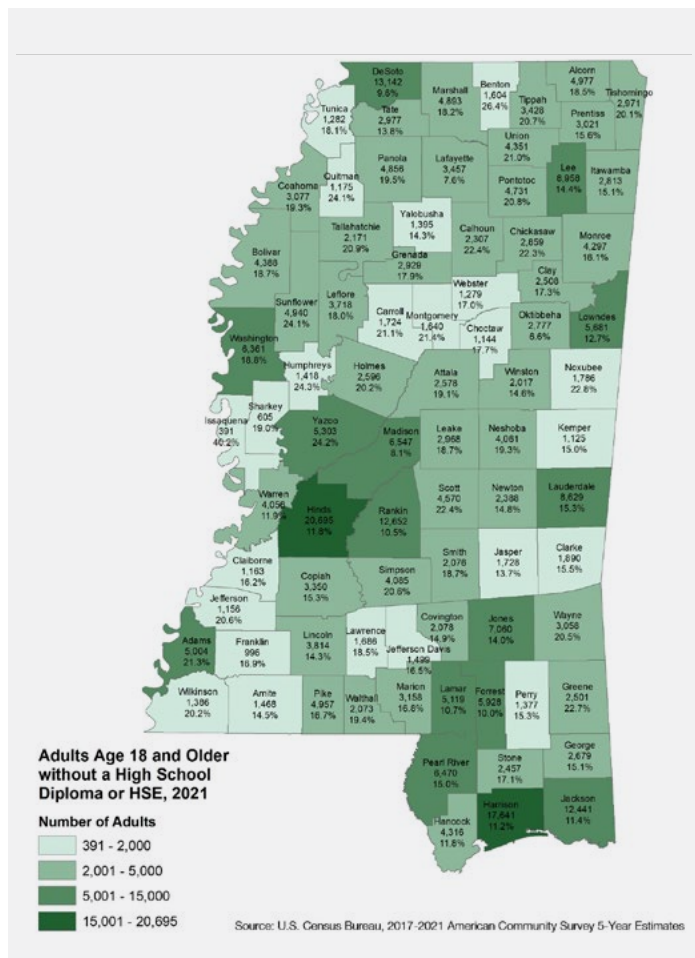
exam – ultimately preventing her certification and ability to earn wages. She expressed her disappointment and said it wasn't “because I didn't try. I did. They wouldn't allow me to.”

## CLOSE HIGH SCHOOL EQUIVALENCY (HSE) TESTING GAPS

Empower believes a targeted initiative to promote attainment of a high school credential can help improve the state's labor force participation rate. The regression analysis from our first report identified education as the most important predictor of labor force participation of the factors tested (age, gender, education, and race). Individuals without a high school diploma were found to be 60.7% less likely to be in the labor force than peers who finished high school. In 2023, they were participating in Mississippi's labor force at a rate of 29.1% (compared to the state average of 53.9%).

Census data shows about 300,000 Mississippians aged 18 and above lack a high school diploma or equivalency, which is 12.2% of the total for this age range. Census data also shows the median earnings of Mississippians age 25 and above were \$41,175 for 2023. For those without a high school diploma, the median earnings were about 31% less, at \$28,257 annually. The poverty rate for those without a high school credential is 33%, compared to high school graduates (20.5%), some college or associate's degree (12.7%), and bachelor's degree or higher (6.4%). Additionally, unemployment rates tend to be higher among those without a high school credential. In 2022, the annual unemployment rate for Mississippians with less than a high school education was

11.8%; this is higher than those with a high school diploma or equivalency (6.5%); some college or associate's degree (5.1%); and bachelor's degree or higher (2.5%).



**Empower recommends lawmakers consider expanding opportunities for high school equivalency programs and testing across Mississippi to increase credential attainment** among this known population. [Skill UP Mississippi](#), an initiative of the Office of Adult Education at the Community College Board, offers training and support for people pursuing nationally recognized High School Equivalency (HSE) diploma programs, the most known of which is the GED. These programs are typically

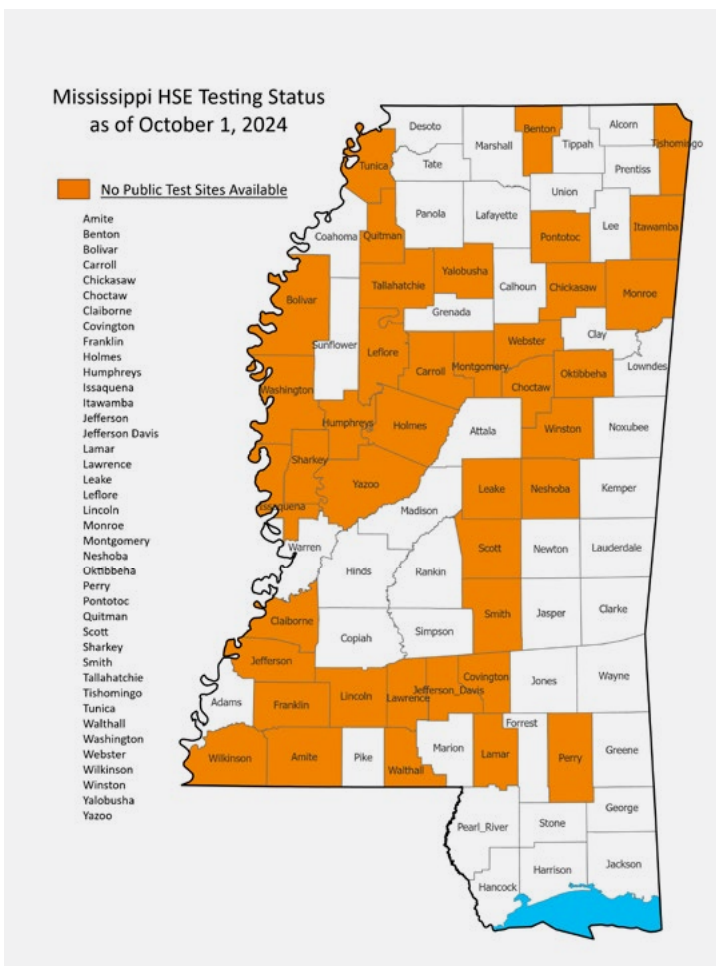
offered at places like community colleges and public schools and are designed to help students secure a higher-paying job or pursue higher educational opportunities.

Currently, the HSE test sites are only located in 42 of the state's 82 counties. Large swaths of the state have testing gaps, such as the Delta (Bolivar, Holmes, Yazoo, Humphreys, etc.); the northeast (Benton, Pontotoc, Itawamba, Monroe, etc.); and the southwest (Jefferson, Amite, Lincoln, Wilkinson, Lawrence, etc.). Without access to testing sites, many Mississippians will struggle to obtain a high school equivalency credential.

Experts with the Office of Adult Education cite funding restrictions and limits as reasons for these gaps, including federal prohibitions on paying for HSE test administrators or testing fees. Some state funds are allocated to support HSEs through dropout recovery [funds](#) designed to enroll low-skill adults in career pathways; Senate Bill 3016 (2024) provides \$3 million for this purpose along with a requirement that public community and junior colleges submit a comprehensive report on the number of dropouts that have enrolled in HSE and/or career programs on or before August 1, 2025.

**Empower recommends policymakers prioritize additional resources and/or redirect existing funding toward HSE testing and administrators so that more individuals have opportunities to earn this credential.** This can be scaled as

large or small as lawmakers desire and can be achieved in collaboration with other state assets, such as WIN Job Centers in local communities. Lawmakers should build on existing infrastructure (community colleges, universities, schools, job centers, social services offices, etc.) to provide testing in various settings and during different times of the day to accommodate Mississippians who may be working, responsible for child or elder care, or have other needs. Like current appropriations requirements, this investment can also be monitored and the results compiled in a year-end report to the Legislature. Based on prior year results, Mississippi's economy will benefit; in fact, the 2023-2024 year included more than 1,800 HSE diplomas earned in adult education programs, boosting the state's economy by an estimated \$16 million, according to the Mississippi Community College Board.



## IMPLEMENT JUSTICE REFORMS

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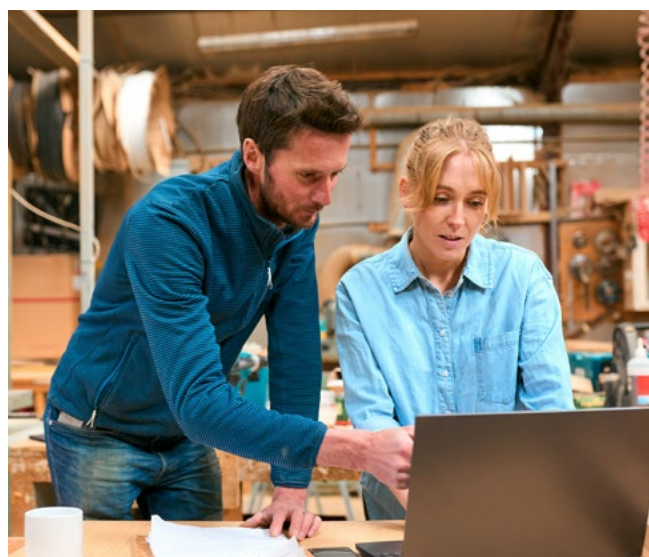
Justice is one of Empower's core focus areas. Empower believes every citizen should receive fairness, equality, and a path to redemption from our justice system, consistent with public safety. Mississippi has the second highest incarceration rate in the country due in part to a complex web of criminal laws that include relatively minor offenses. While those incarcerated are excluded from the BLS labor force calculation, some 95 percent of people in prison will eventually be released. Providing a pathway for successful re-entry by increasing job training for those who are incarcerated and by removing unnecessary barriers to work when they are released makes sense – it improves public safety by reducing the likelihood that the individual will re-offend, and it benefits the economy by growing the labor pool.

**Empower supports expansion of work training and opportunities at local and state correctional facilities, including the work release program that allows people who are near the end of their sentences to obtain jobs outside the prison, which they may keep after their release.**

**Empower continues to support expansion of the Fresh Start Act that provides occupational opportunities for ex-offenders.** The original Fresh Start Act was passed in 2019 and prevents occupational licensing boards from denying a license to an otherwise-qualified person if that person has been convicted of an unrelated felony. This provision currently only applies to a few occupations, and expansion would apply the provisions to nearly all occupational licenses.

**Expungement of non-violent felony offenses also deserves attention from lawmakers.** A recent report from FWD.us estimates one out of every 10 adults has a felony conviction, or about 240,000 Mississippians. This has significant impacts on our labor force, as those with felony convictions face incredible challenges in re-entering the workforce. A criminal record can reduce the likelihood of a callback or job offer by nearly 50%, and formerly incarcerated people experience higher-than-average unemployment rates, at 27% (compared to the current state rate of 2.9%).

At Empower, one of our highest priorities is public safety, and we believe actions should have consequences. Punishment for crimes should be swift and certain. However, we also believe in the power of restoration and redemption – and that not every crime deserves a life sentence. Every person who can make the most of a second chance represents the potential of reconciled families, safer communities, and a stronger economy.





## TOPICS FOR FURTHER STUDY

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### *Disability.*

Empower continues to study the impact of [disability](#) on labor force participation, as Mississippi's disability rate has remained among the highest in the nation. As of 2022, some 35.8% of Mississippians were disabled (the U.S. rate is 28.7%). In the state, males had a rate of 34.5% with the female rate at 37.1% (the U.S. rates are 26.7% and 30.6%, respectively). Mississippi veterans have a disability rate of 39.8%, exceeding the non-veteran rate of 35.2%. Nationally, veterans have a disability rate of 33.9% with a nonveterans rate of 28.1%. Data shows the employment rate of individuals with a disability at 45% for the U.S. and 38.4% for Mississippi. Disability can impact labor force participation, health outcomes, social services and tax burdens, and other areas. Empower intends to continue studying this issue.

### *Women, children, and families.*

Mississippi females participate in the labor force at lower rates than men, 48.5% to 59.8%, respectively. A regression analysis from our first

report shows females are 43.7% less likely to be in the labor force relative to their male counterparts. Many policymakers have suggested this population faces barriers, like overrepresentation in low-wage jobs, lack of affordable and available childcare, and slower rates of returning to the workforce following the pandemic. While Empower is not ready to make recommendations, we will continue to study this topic.

### *Care-giving: Beyond children.*

While the report mentions childcare and caregiving responsibilities, Empower believes further analysis of all caregiving responsibilities, not just for children, is warranted as they relate to labor force participation. This includes caring for disabled family members, eldercare, and other obligations.

### *Cost of Living.*

Mississippi has one of the [lowest costs of living](#) in the nation, with data from the Bureau of Economic Analysis showing a regional price parity (RPP) 12.7% below the national average. The RPP measures the difference in price levels across states for a given year and are expressed as a percentage of the overall national price level. For 2023, Mississippi's rate of 87.3% was second-lowest (Arkansas had a rate of 86.5%). Low RPP generally means housing, food, transportation, and other living expenses are cheaper compared to other regions. Empower is analyzing the impact of affordability on labor force participation. As of October 2024, 13 of the 25 states with the highest labor force participation rates have costs of living higher than the U.S., while eight of the 10 states with the lowest LFPR have costs of living lower than the national average. Further study is needed

to determine the relationship between cost of living and labor force participation, and a more localized approach to data collection could help determine whether cost of living impacts labor force participation.

### ***Benefits cliffs & behaviors.***

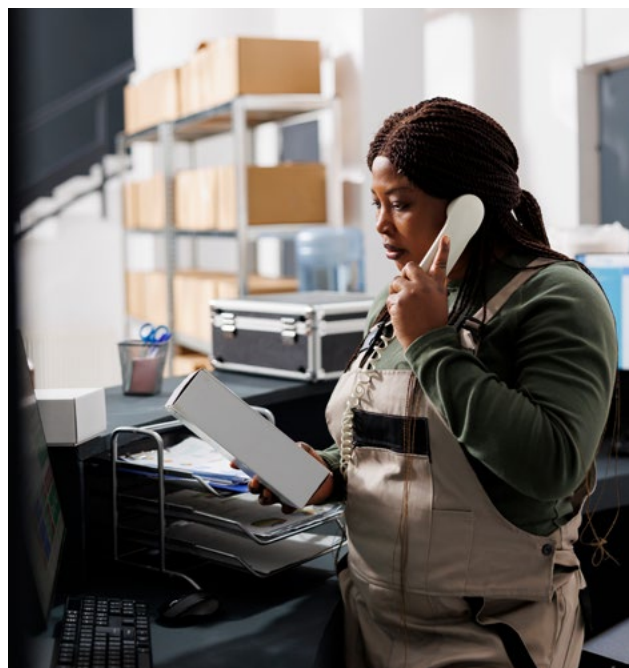
As cited above, Empower believes focus groups will shed insight as to labor market trends based on human responses. One such topic that merits additional study is the behavioral impact of a “benefits cliff” in which an individual on government assistance loses those benefits once he or she earns a certain wage threshold. Sometimes, the financial calculation proves more beneficial to stay on the sidelines than to work, bringing into question the programmatic structure of government benefit programs. Organizations in other states have begun exploring the impact of benefits cliffs, and Empower intends to do the same.

### ***Public pensions.***

Mississippi’s public employee retirement plan allows many of its members to retire after 25 years of service, enabling government workers to finish their careers earlier in most cases than private sector workers. Mississippi’s Public Employees’ Retirement System (PERS) has 115,890 retirees and beneficiaries, 145,985 active members (current workers), and 96,000 inactive members (those previously in the system but no longer in a PERS-covered position nor retired and/or receiving benefits). Collectively, PERS represents more than 350,000 Mississippians, so the impact of early retirement warrants additional research.

### ***Affordable Care Act.***

Empower presented before the Senate Labor Force Participation Study Group, during which time a lawmaker inquired as to the relationship between young adult labor force participation and the extension of insurance coverage to adults up to age 26 under their parent’s policy, under the federal Affordable Care Act. Additional study should be conducted, but published research suggests some labor market impacts. A National Institutes of Health [report](#) cited research that found a reduction in employment and labor force participation, with young workers 6 percent less likely to work full time. The ACA appears to have caused a shift among youth from full-time to part-time employment, with an increase in self-employment from 13% to 24%. A UC Berkley Economics [paper](#) found a “statistically significant” decrease on the weeks worked per year and hours worked per week among youth following the ACA’s passage.



### ***Historical context.***

During Empower's legislative presentation, a senator inquired as to the cause of Mississippi's labor force participation rate drop from 60.1% in 2011 to 54.1% in 2014. While additional research is needed, this decline coincided with a similar national trend.

### ***Priority population: Veterans.***

Empower's first report found that Mississippi's veteran population was 166,607 in 2023, with 60.2% of veterans not in the labor force. While most veterans reported retirement as the reason for not working, nearly 27% cited other factors for not participating in the labor force. As veterans often have specialized skills that make them attractive job candidates, Empower believes this population represents an opportunity to increase the state's labor force participation rate. As recommended above, eliminating college degree requirements for public sector jobs will especially help veterans who have skills but lower educational attainment

levels than their non-veteran peers. Additionally, as most Mississippi veterans are concentrated in south Mississippi and the Gulf Coast, a localized or regional approach could meaningfully impact veteran employment trends.

### ***Support services and workforce programs coordination.***

Many government assistance programs presume, if not require, that a recipient will obtain employment and move toward self-sufficiency. Many other government programs are intended to prepare people for the workforce. Very seldom are the programs in the former coordinated with the programs in the latter, creating unnecessary challenges for those who may already face significant hurdles in gaining skills or discovering opportunities to improve their lives. By streamlining the services offered, with a clear objective of job readiness, the path from assistance to employment – from dependence to independence – can be straighter. Empower is exploring ways to accomplish that goal.





## CONCLUSION

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Empower believes Mississippi's future is bright and celebrates the economic successes from recent years, including record capital investment, job creation, and historic tax cuts. We believe conservative, pro-growth policies are key to this momentum and look forward to continuing to research ways to enhance the state's workforce.

Empower will publish additional reports with more findings and recommendations, as research is ongoing.

*We welcome your comments on this report (or our [first report](#)) and your suggestions for further research and recommendations. We also welcome your questions. You can send those to us at [research@empowerms.org](mailto:research@empowerms.org).*



Founded in 2014, Empower Mississippi is a solutions center, working with stakeholders to tackle Mississippi's biggest challenges. We believe every Mississippian can rise, so our work focuses on removing barriers to opportunity so that people in the Magnolia State can earn success, contribute to their families and communities, and live meaningful lives.

To find out more, please visit **[empowerms.org](https://empowerms.org)**.