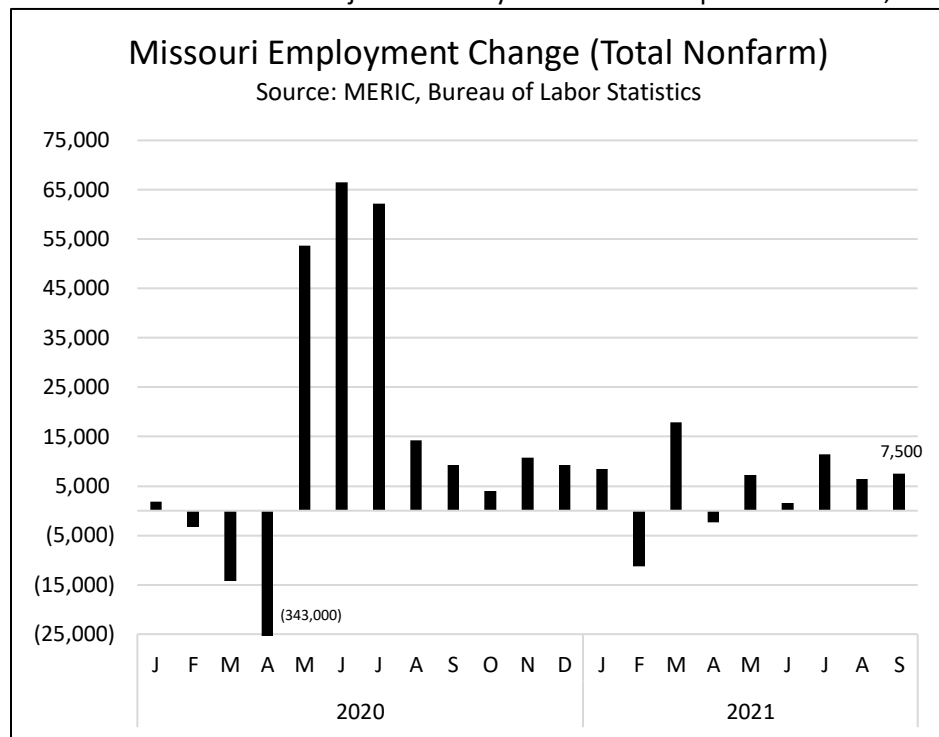


October 26, 2021

Missouri's Economic Recovery Continues, but at a Slower Pace

The latest data – Missouri's jobs recovery continued in September with 7,500 new jobs. This is a

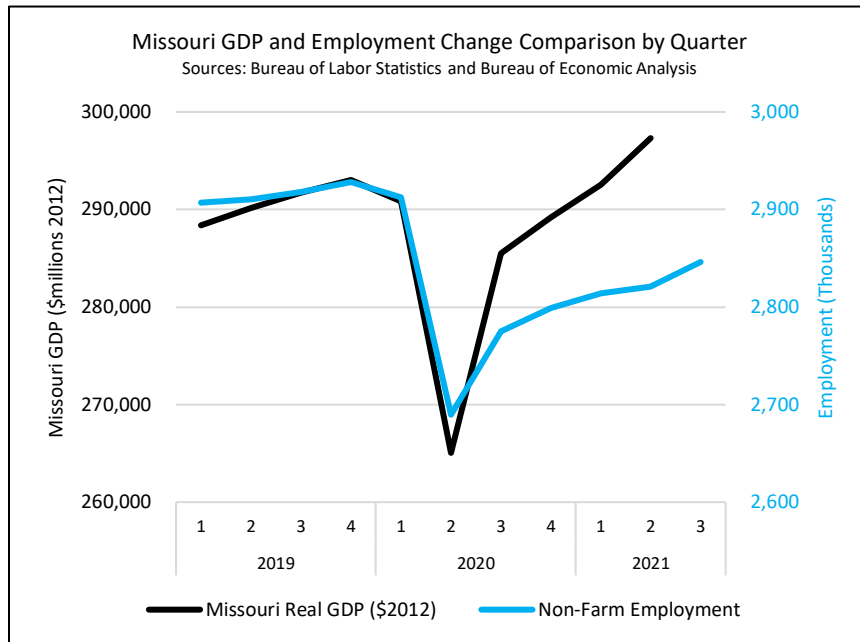


continuation of the slower employment growth we have seen this year. Such modest growth was expected given the disappointing national numbers released a few weeks ago. With this increase, we have recovered 77% of the 357,000 jobs we lost during the shutdown in spring 2020. Just 18 states have recovered a greater share of jobs lost during the shutdown. Retail and professional/technical

services were the fastest growing sectors, each adding 4,500 jobs. We did see declines in manufacturing which had been a consistent job gainer for Missouri. Recent temporary shutdowns at Missouri auto assembly facilities in [Claycomo](#) and [Wentzville](#) due to the global chip shortage are likely a major factor in this recent drop.

The unemployment rate fell to 3.8% and is nearing pre-pandemic levels (we were at 3.7% in March of 2020). The national rate sits at 4.8%.

The economy is back, but the employment situation and inflation threaten to slow the progress. Many



economists thought that the economy would have recovered by now as schools and businesses nation-wide fully reopen. In some respects, it has. State and national GDP levels are back above pre-pandemic levels, as is consumer spending. Employment, however, continues to lag, and [the lag is on the supply side](#).

Missouri's labor force participation rate is down from pre-pandemic levels (63.2% from 64.1%). This may seem like a small change, but

it means that over 25,000 Missourians are no longer employed or looking for a job. All but 5 states have seen their labor force participation rate decline from before the pandemic, so Missouri is not alone in facing this challenge.

Inflation has been another factor slowing the economic expansion. Some temporary and focused inflation was expected as the economy recovered quickly and certain items like used cars and oil saw sharp price increases. But these increases have been more persistent and wider spread than hoped. [Many economists now see higher prices, and their dampening effect, lasting into 2022.](#)

Inflation and the tight labor market will cause some drag on the national and Missouri economies. Because of these two factors, [many economists are now lowering expectations for the rest of 2021 and pushing for a more subdued, but still strong, recovery to continue into 2022.](#) Granted, the economic outlook is hazy right now and we might not yet be at the levels we want, but it is worth remembering how far the economy has come from those uncertain months in the spring of 2021.