

REGIONAL

ECONOMIC BRIEFING



FEDERAL
RESERVE
BANK of
ST. LOUIS

National and Regional Economic Overview

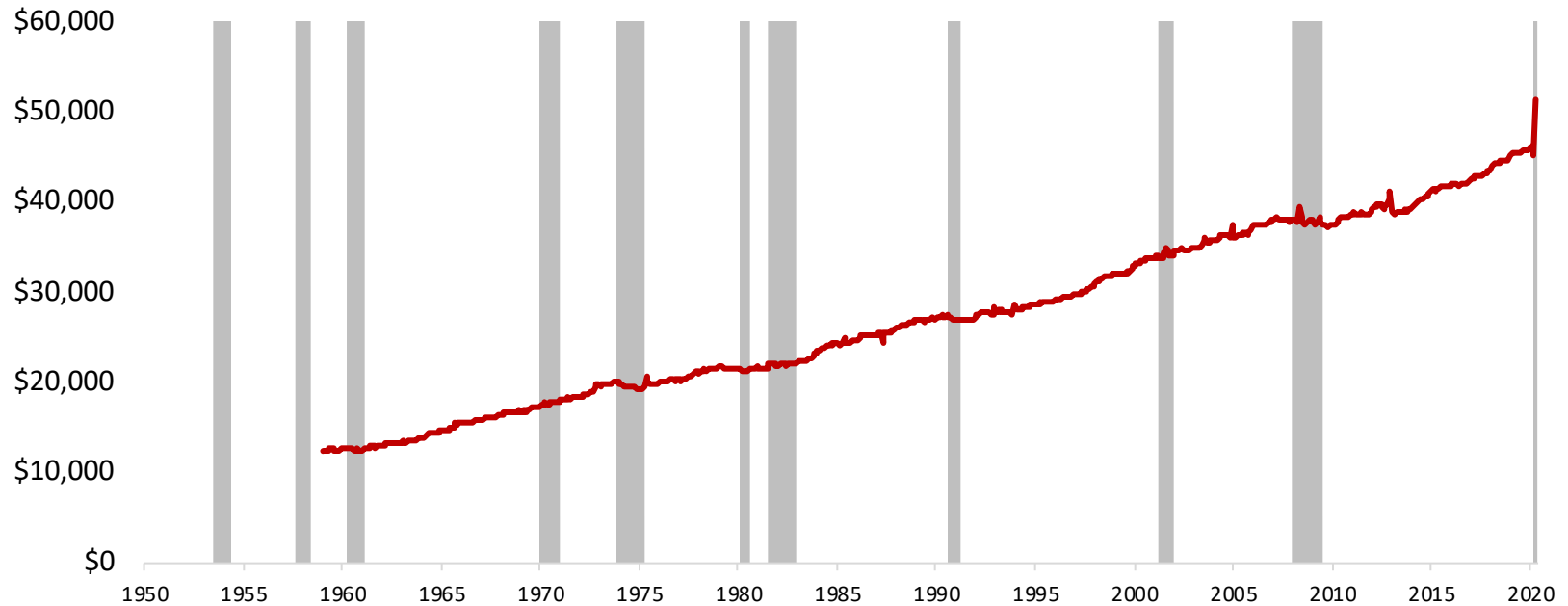
Charles S. Gascon

June 25, 2020

The views I will express are my own and do not necessarily reflect the positions of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

Wait, disposable incomes have increased!

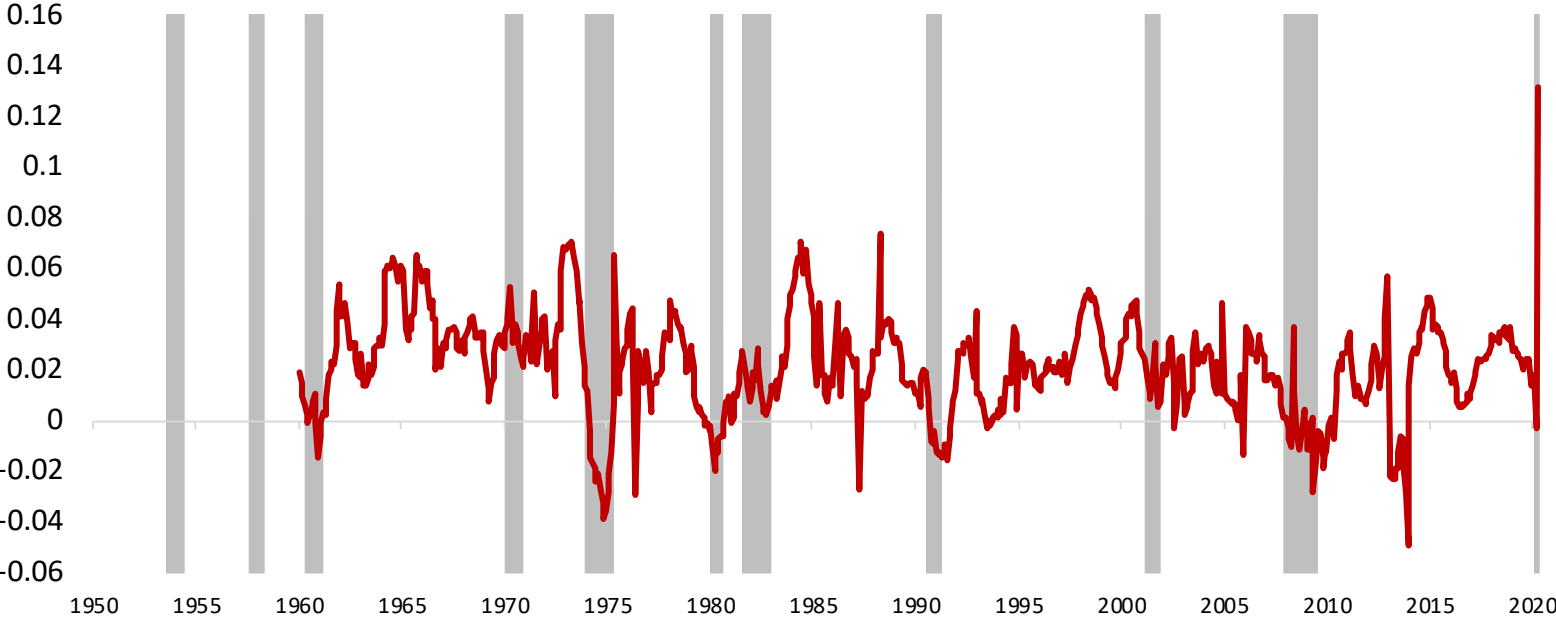
Real disposable personal income per capita
SAAR, Chn. 2012\$



Source: Bureau of Economic Analysis

Income typically falls during recessions

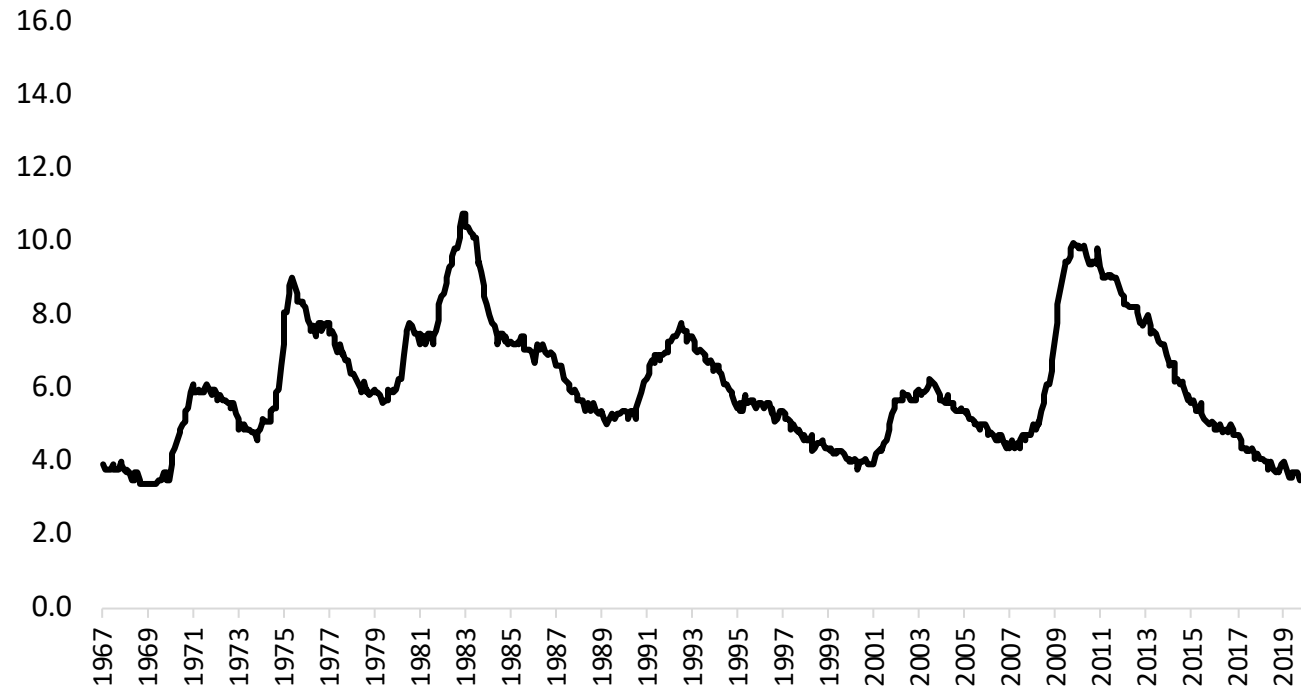
Real disposable personal income per capita
Percent change from one year ago



Source: Bureau of Economic Analysis

Unemployment rate reaches post WWII record

United States Unemployment rate
Percent



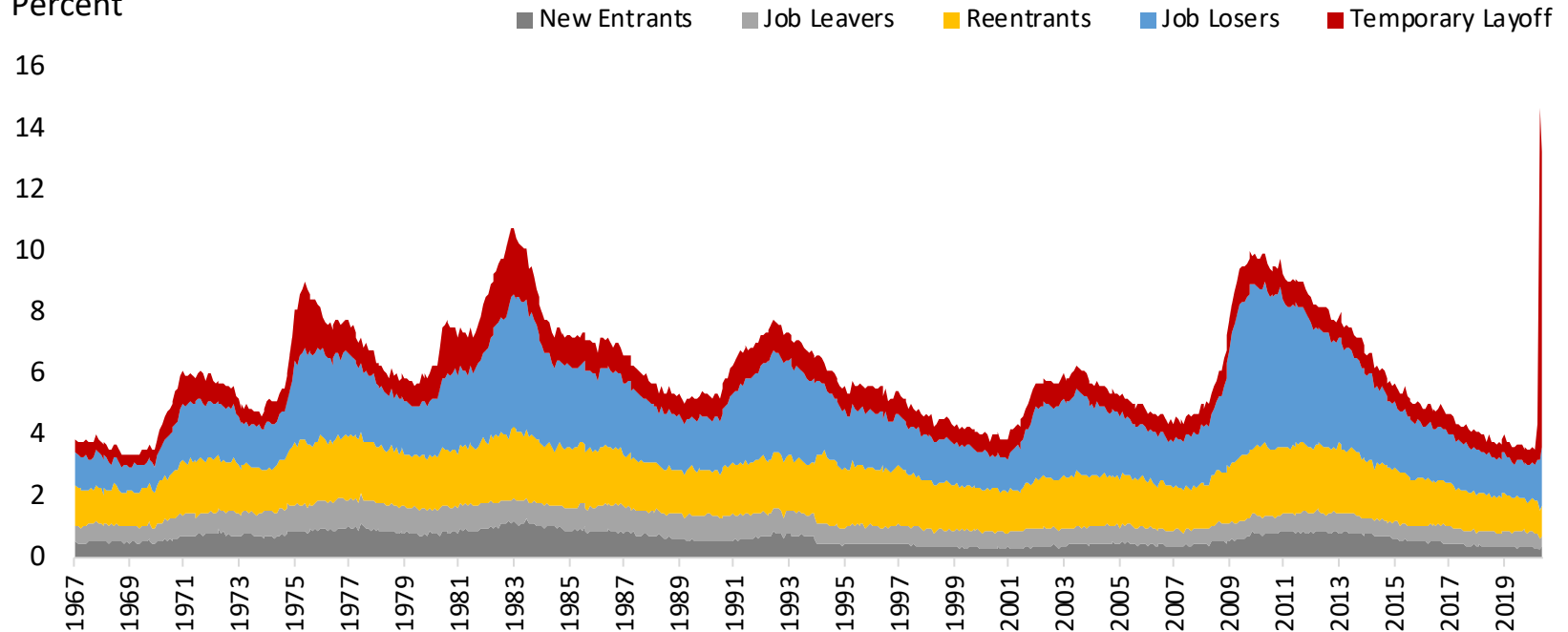
	April	May
US	14.7	13.3
MO	10.2	10.1
St. Louis, MSA	11.6	--
St. Louis City	11.7	--

Source: Bureau of Labor Statistics

At this point, layoffs are temporary

Unemployment rate by type

Percent

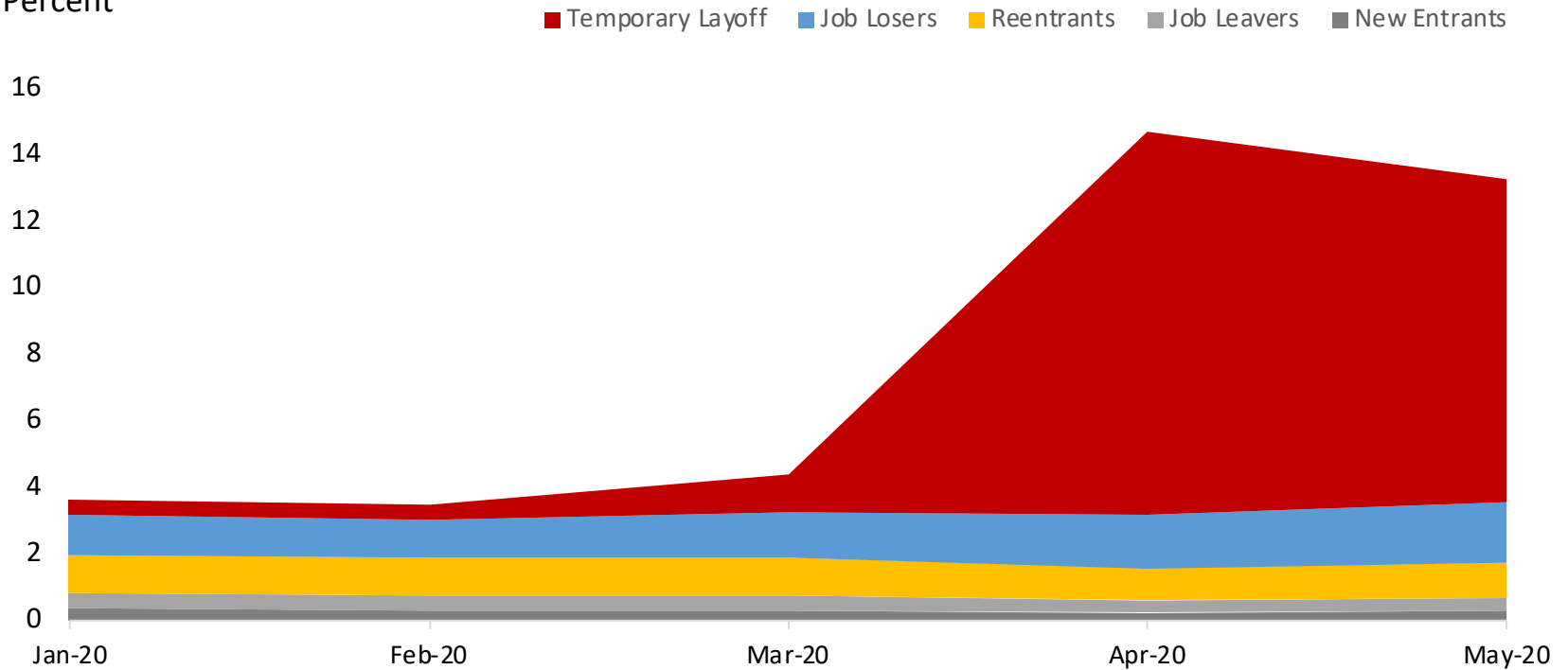


Source: Bureau of Labor Statistics

A closer look

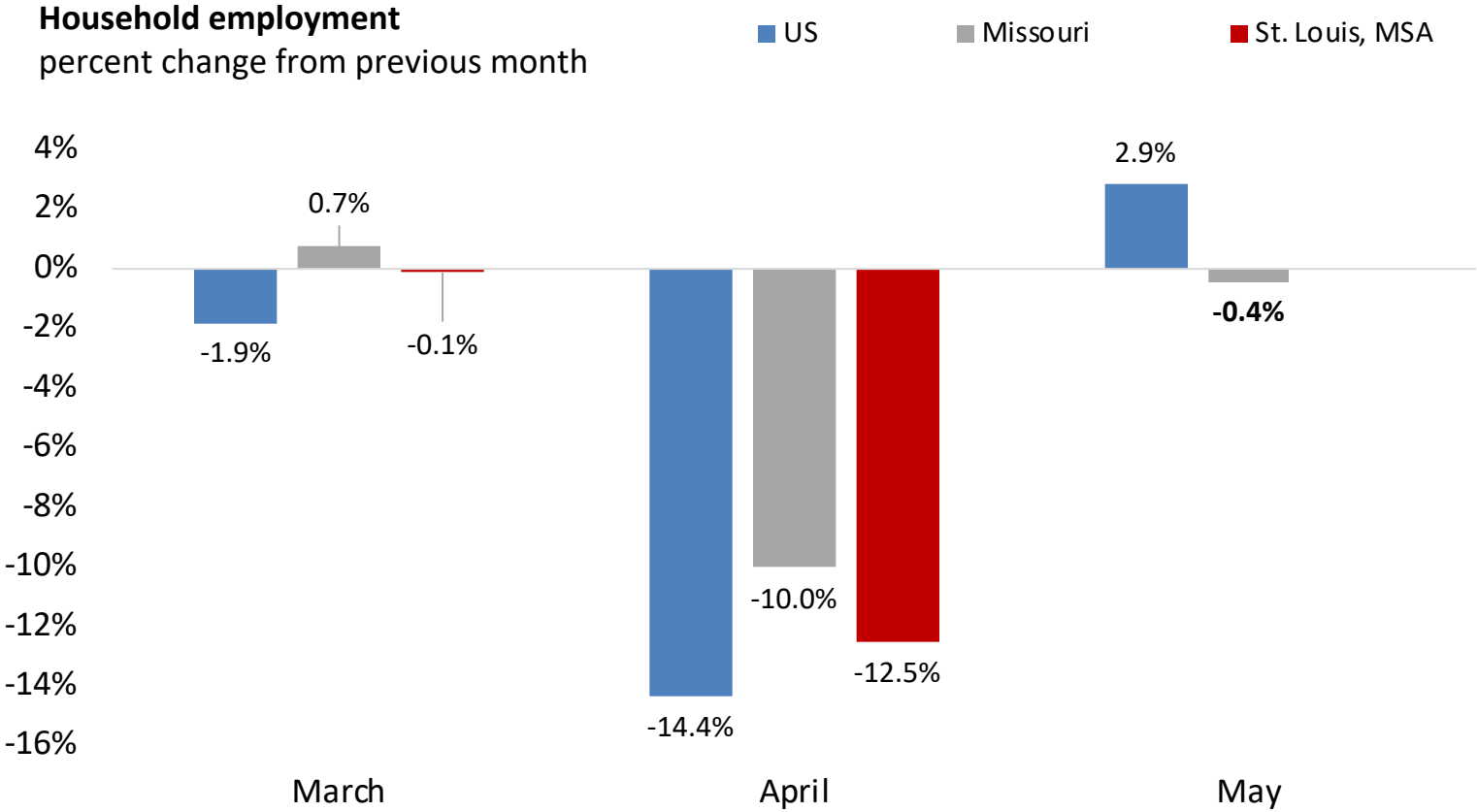
Unemployment rate by type

Percent



Source: Bureau of Labor Statistics

Pace of recovery is unclear, but we have a long way to go.



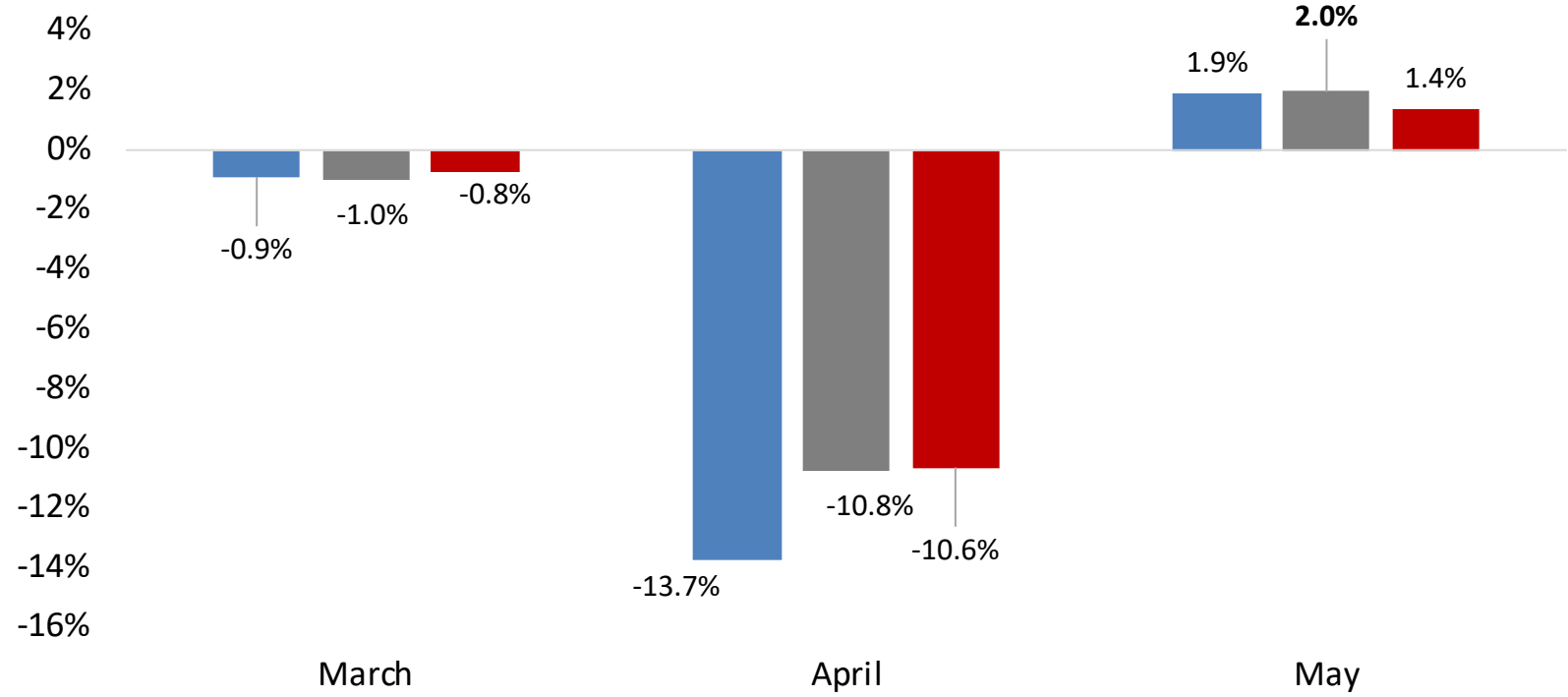
Source: Bureau of Labor Statistics

Pace of recovery is unclear, but we have a long way to go.

Nonfarm payroll employment

Percent change from previous month

■ US ■ Missouri ■ St. Louis, MSA

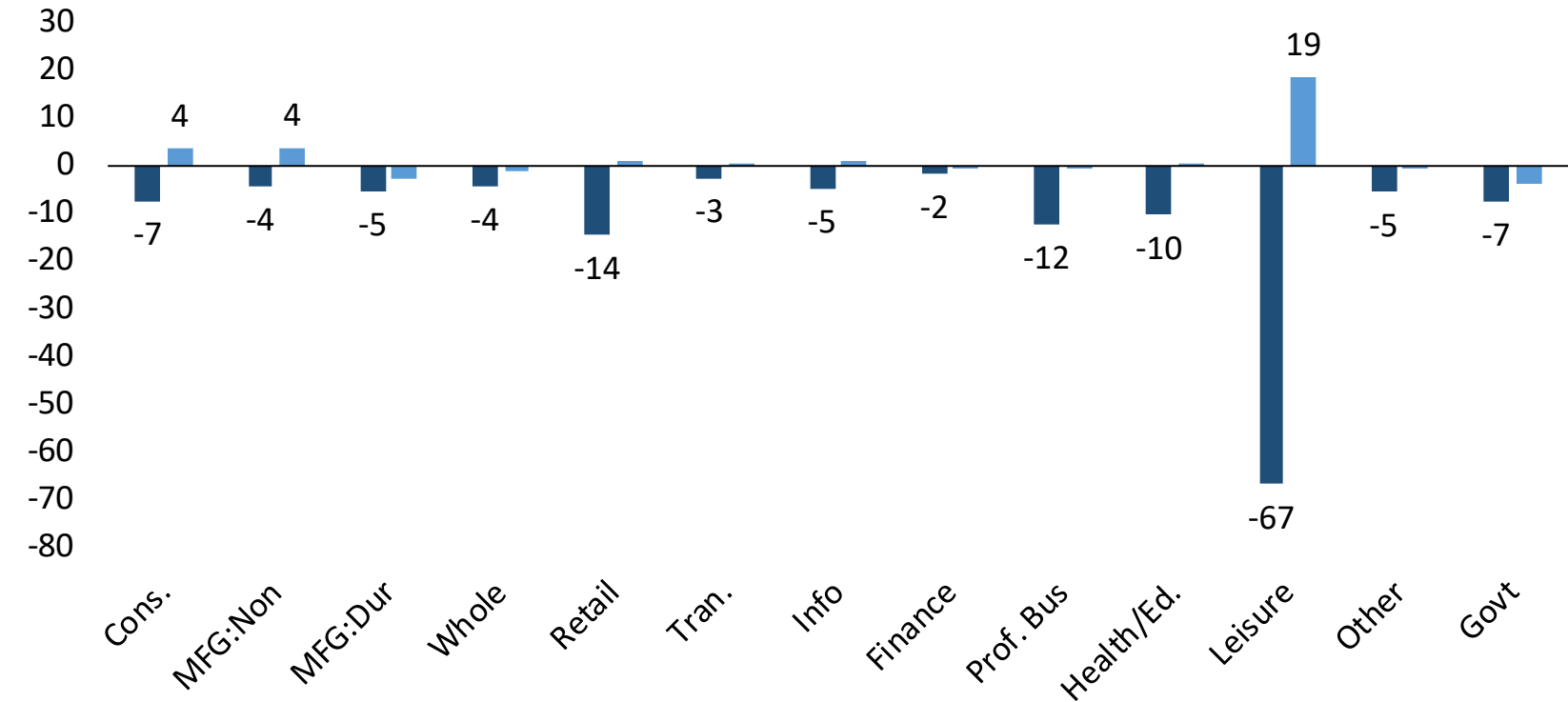


Source: Bureau of Labor Statistics

St. Louis lost 147k jobs in April, added 17k in May

St. Louis nonfarm payroll employment by sector

Monthly change in employment, thous.



Source: Bureau of Labor Statistics

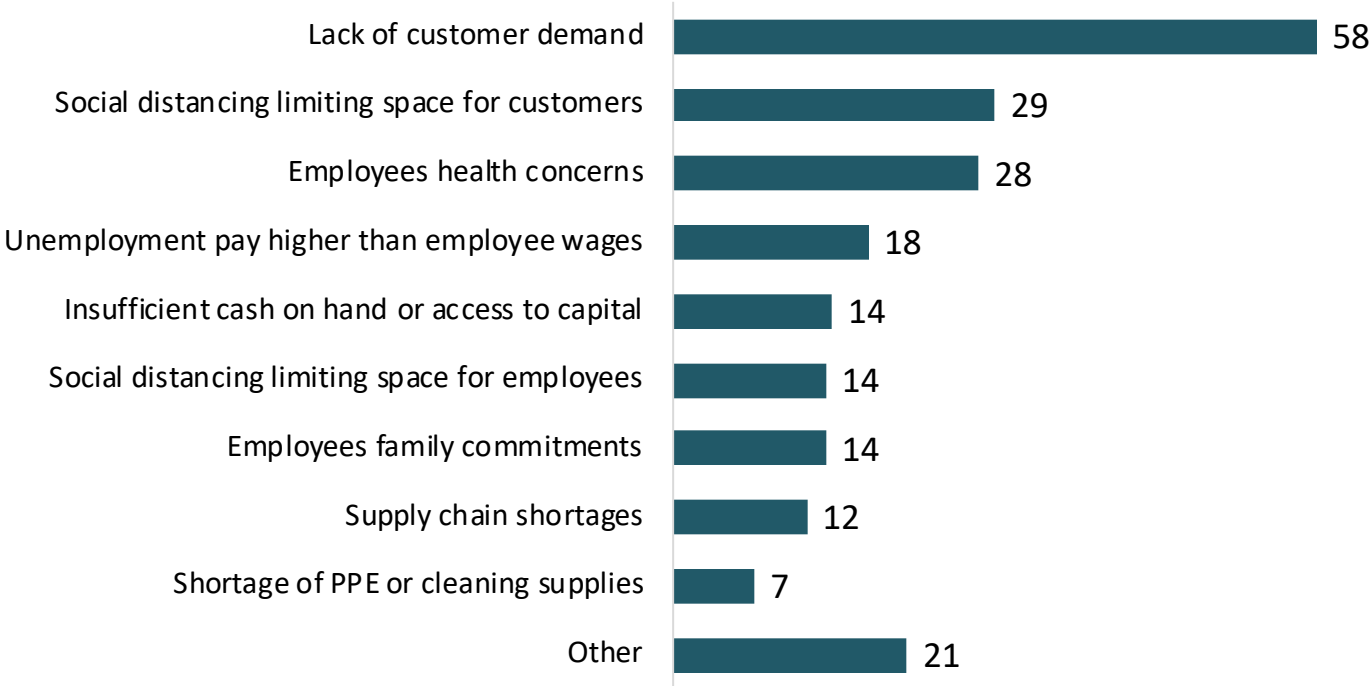
Highlights from May/June St. Louis Fed survey

- Firms continue to report declines in demand, while overall employment has increased.
- Supply chain shortages persist but have stabilized since mid-April. However, a greater share of firms report higher input costs.
- Many respondents expect a strong rebound in activity.
- Financial stress has eased considerably since mid-April, most firms believe they can continue to operate for months in the current environment without financial distress.
- Many survey respondents are concerned about their ability to collect payment from customers in the coming months.

Source: <https://research.stlouisfed.org/resources/covid-19/preliminary/survey-impact-covid-19-businesses-eighth-federal-reserve-district>

Lack of demand is a top factor for restraining activity

Factors restraining ability to operate at pre-crisis levels

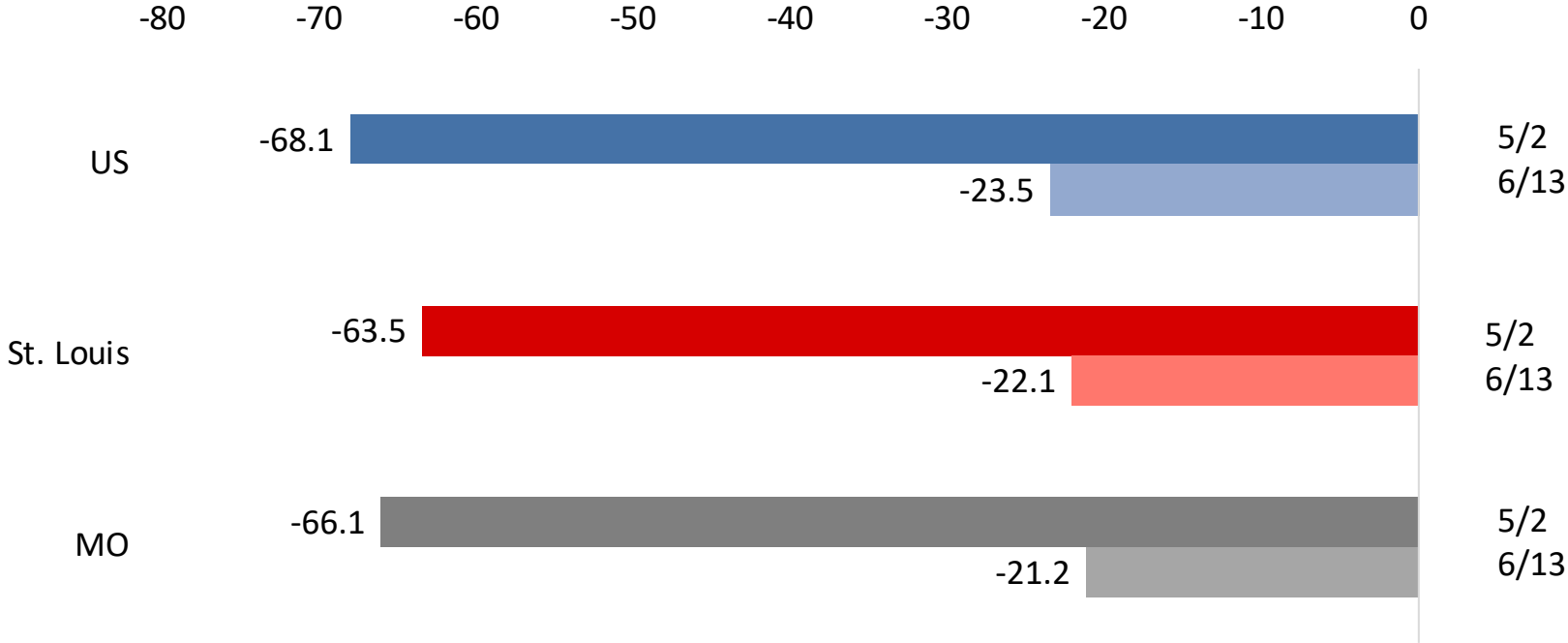


Note: Values represent share of respondents. Respondents could select up to three factors. Totals will not sum to 100.

Source: FRB St. Louis, June Survey

Small firms continue to report declines in revenues

In the last week, did this business experience a change in operating revenues not including financial assistance or loans?

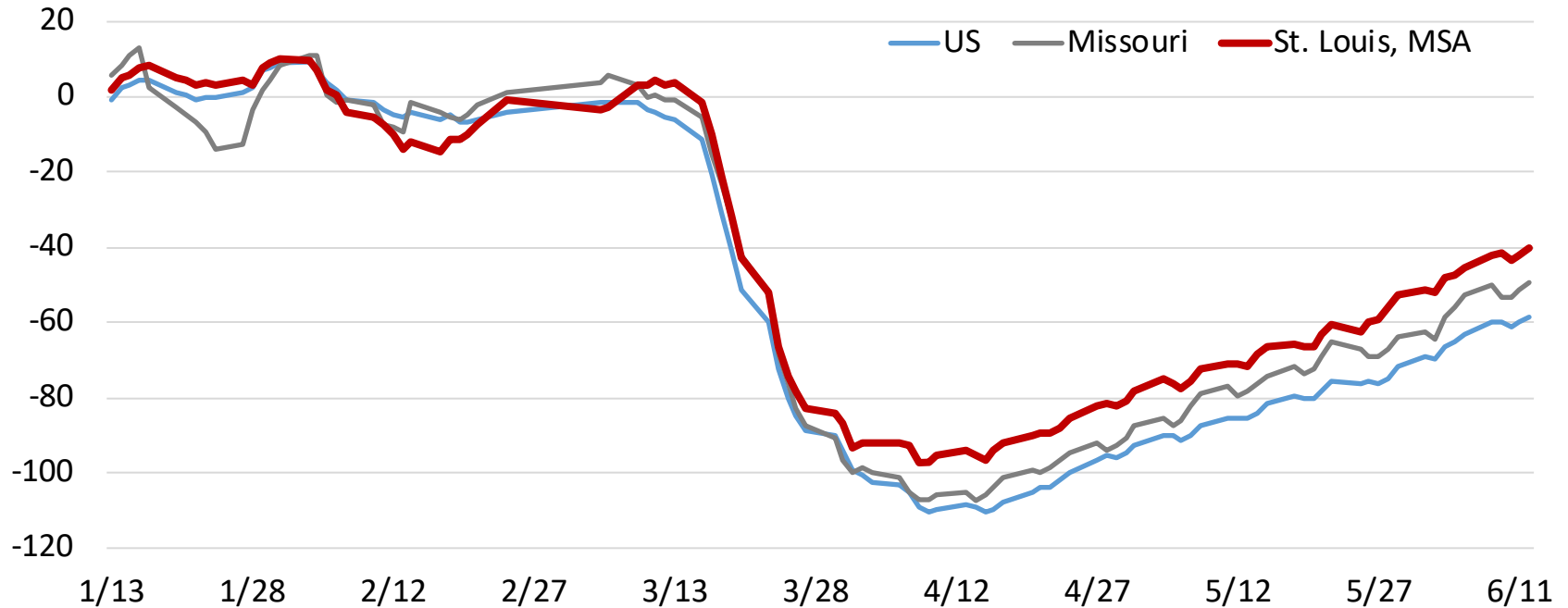


Source: Census Bureau, Small Business Pulse Survey

Based on the data “stay at home” relaxed in early April

Mobility and Engagement Index

Index, relative to pre-Covid period

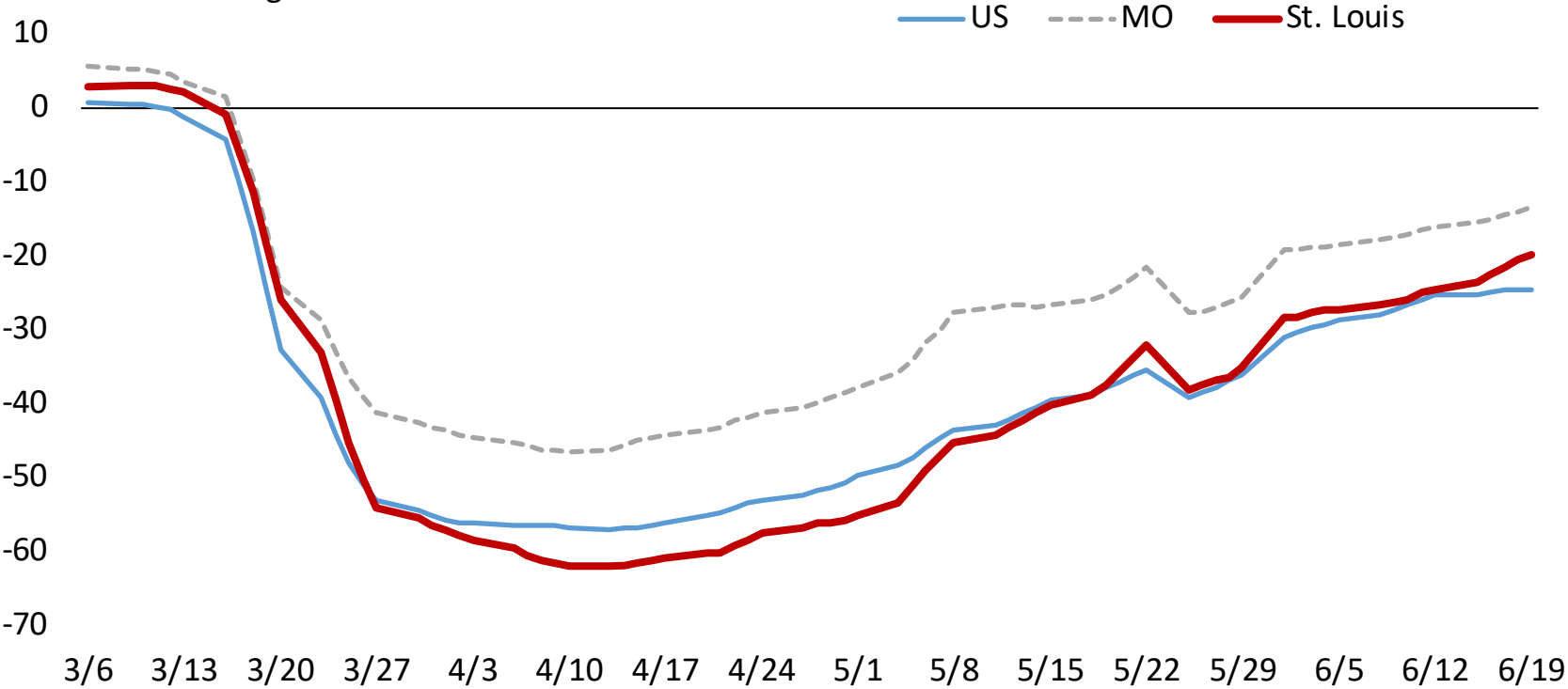


Source: Federal Reserve Bank of Dallas, last observation seven days ending June 12

Small business hiring continues on steady trend

Impact of COVID-19 on number of hourly employees

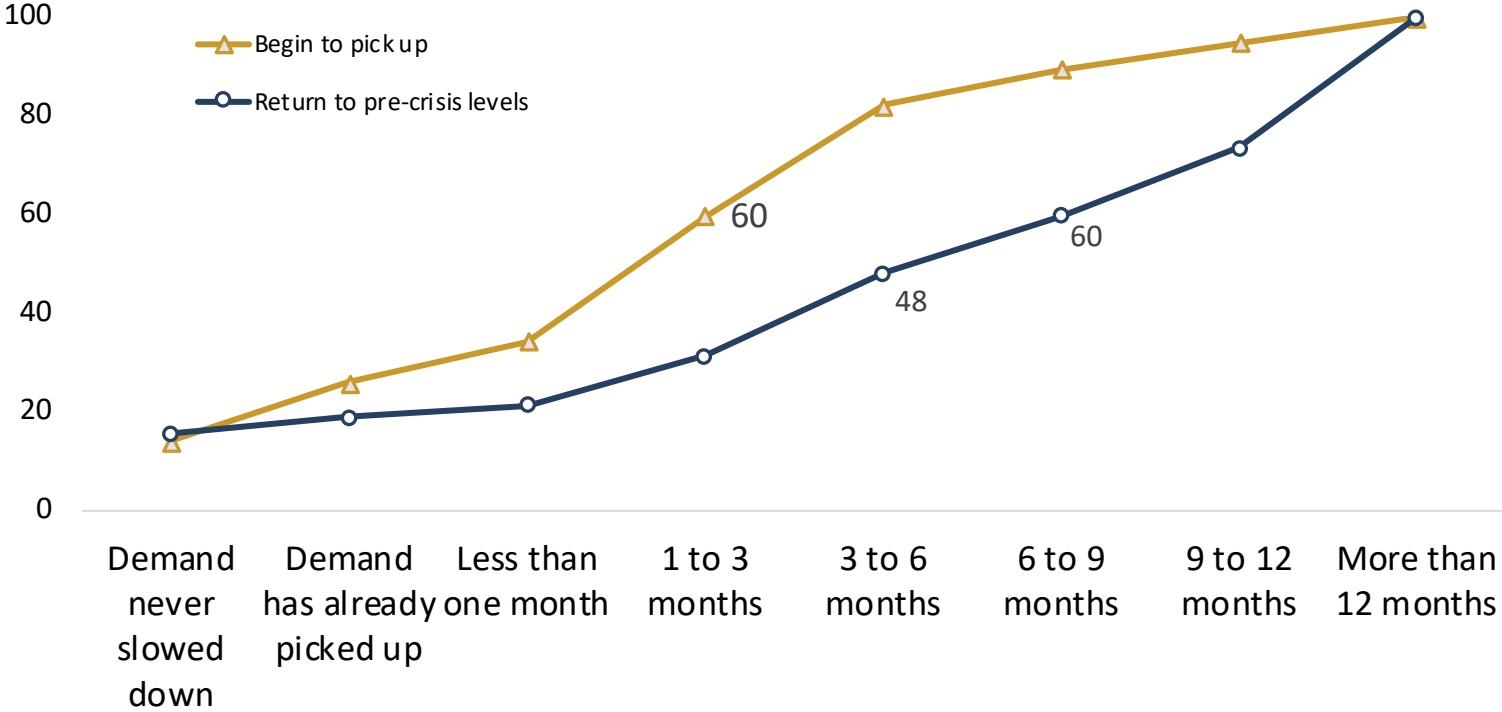
Values are % change relative to Jan. 2020



Source: Homebase.com, last observation June 19

Respondents expect a relatively brisk recovery

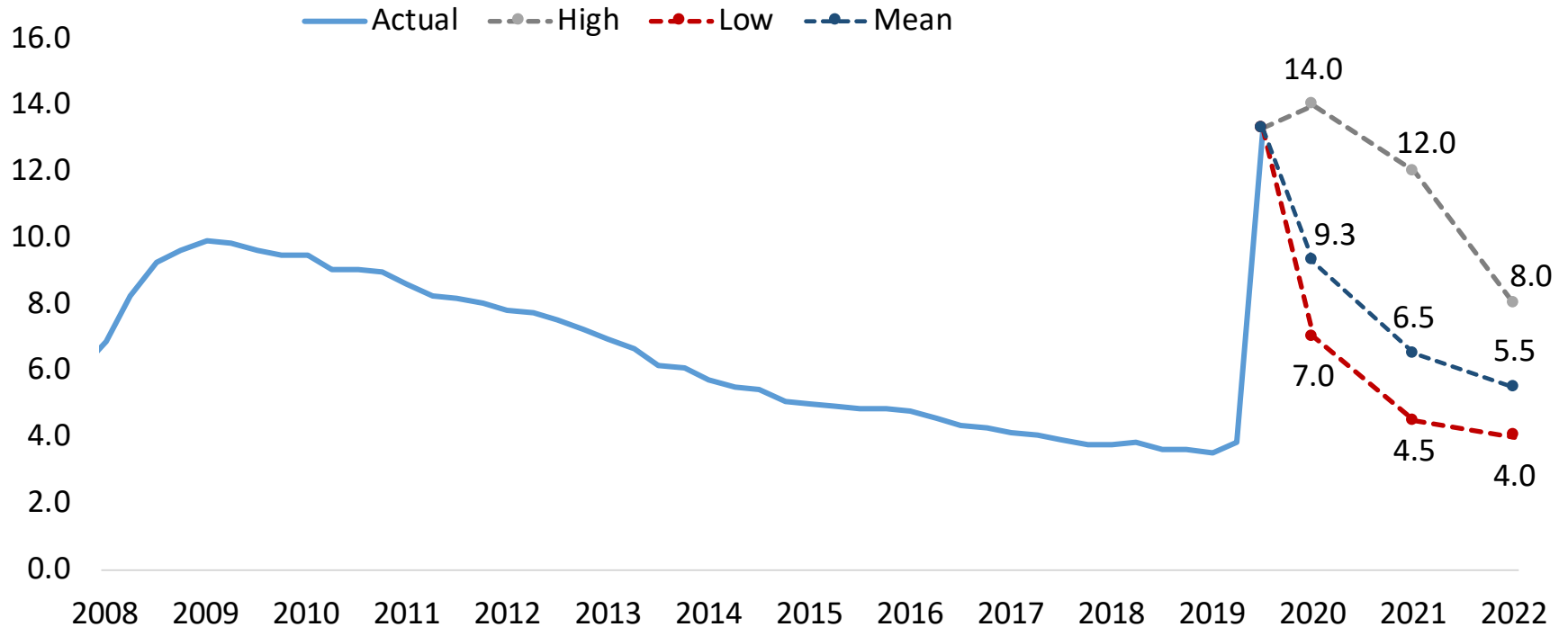
When do you expect demand for your products/services to...
Share of respondents



Source: FRB St. Louis, June Survey

The outlook remains highly uncertain

US Unemployment Rate, Actual and Projected
Percent

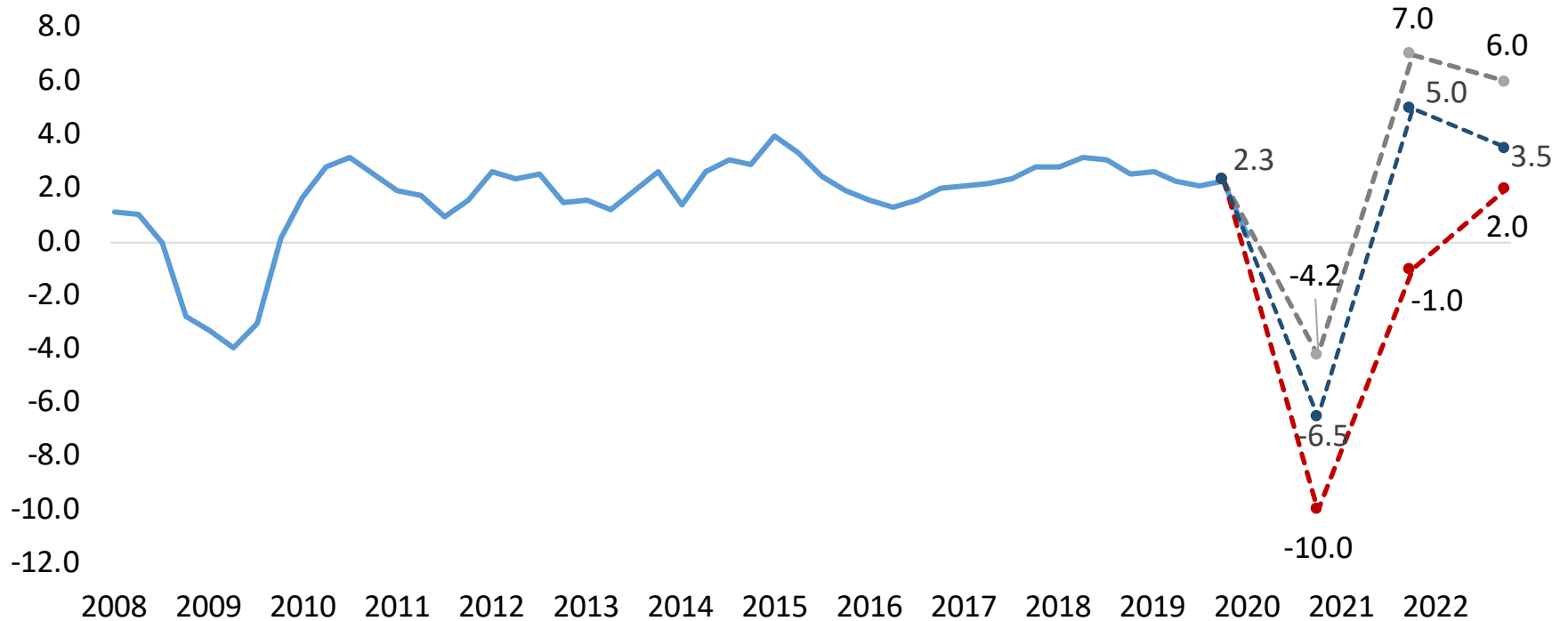


Source: Federal Reserve Board

The outlook remains highly uncertain

Real Gross Domestic Product, Actual and Projected
Percent change from one year ago

— Actual - - - High - - - Low - - - Mean



Source: Federal Reserve Board