



Missouri Economy Indicators

Cost of Living and Inflation

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When choosing where to live, people weigh factors such as family ties, job opportunities and community familiarity—but the cost of living is often a key consideration. The Council for Community and Economic Research (C2ER) tracks living expenses through its [Cost of Living Index](#), allowing individuals and communities to compare costs across the U.S. Inflation affects the cost of living over time, and it is primarily measured by the U.S. Bureau of Labor Statistics [Consumer Price Index](#) (CPI). These two sources inform us about changes in prices and how the cost of living in Missouri compares to that of the nation.

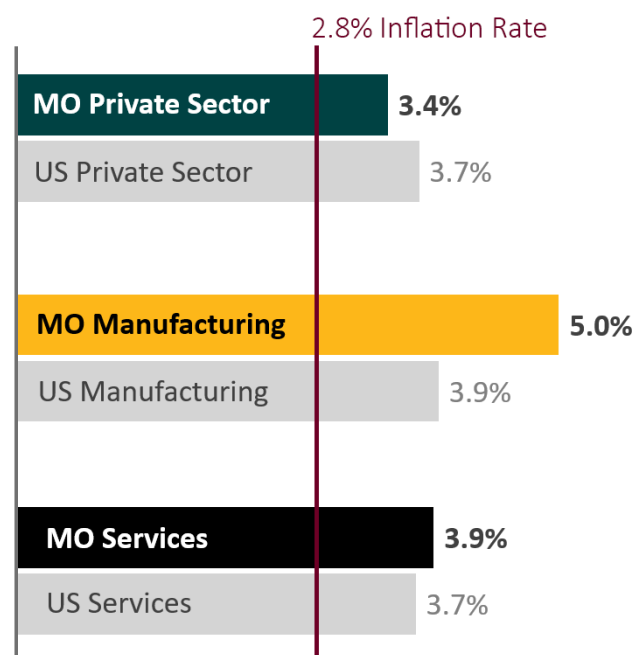
Pay Currently Exceeds Inflation

Annual price growth has remained persistently high. The 2.8% CPI increase this summer marks a modest improvement from 2024 but remains above the Federal Reserve's 2% target.

Higher wages have helped offset these costs for those employed. By the summer of 2025, Missouri's private-sector workers saw hourly earnings rise 3.4% from a year earlier—slightly below the U.S. average (3.7%) but still outpacing inflation.

Missouri manufacturing employees experienced a 5% increase in earnings over the same period, which is significantly higher than the inflation rate and U.S. manufacturing earnings growth. Missouri's private-sector service workers also experienced earnings gains (3.9%) that outpaced inflation. Modest earnings growth above inflation is a positive sign that warrants continued attention, as data is periodically revised.

Percent Change in Annual Inflation and Selected Private Sector Hourly Earnings



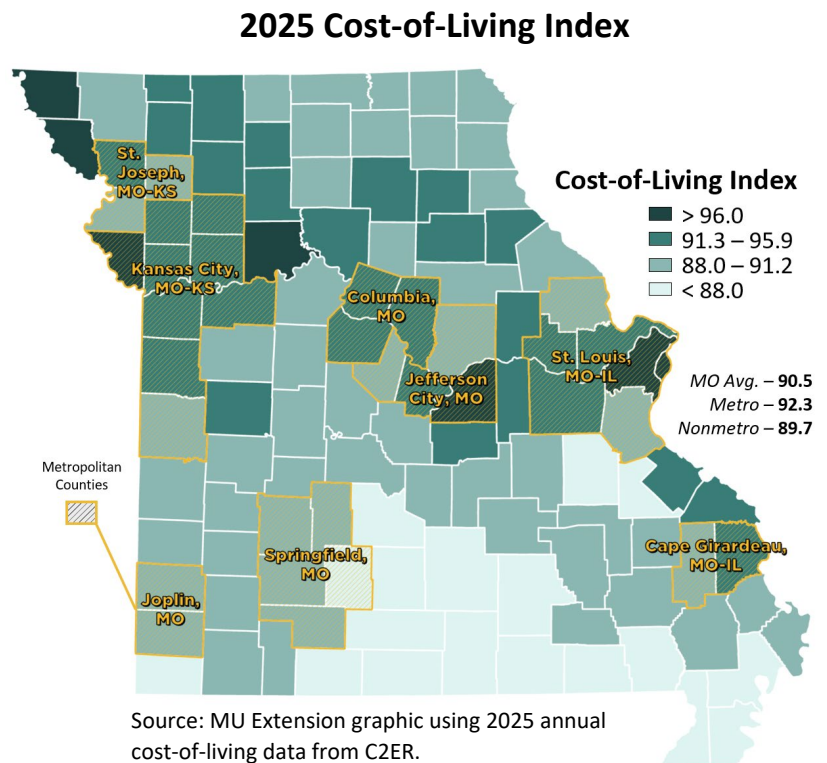
Source: MU Extension graphic using U.S. Bureau of Labor Statistics three-month average ending August 2025 for not-seasonally-adjusted CPI and hourly earnings.

Missouri's private-sector workers earned an average of \$32.51 per hour in the summer of 2025, about 90% of the U.S. average of \$36.28. Although earning less than the national average may seem discouraging, wage levels often mirror differences in local living costs. Employers in high-cost urban areas typically pay more to offset the expense of housing and services, whereas businesses in more affordable regions offer lower, but still competitive, wages. When comparing pay across locations, it's essential to adjust for the cost of living. A job that pays 5% less in one city might provide greater purchasing power than a higher-paying position in a city where prices are 10% higher.

Cost of Living in Missouri

The C2ER Cost of Living Index is a measure of the relative price of goods and services—such as groceries, housing and transportation—between different geographic areas at a given point in time. Inflation measures how prices change over time, whereas the cost of living reflects prices relative to the national average at a given moment. The index sets the national average at 100, meaning an area with an index below 100 signifies a lower cost of living, and vice versa.

Missouri has a generally lower cost of living, typically falling about 10 points below the national average. The latest analysis (Q3 2025) from the Missouri Economic Research and Information Center (MERIC) finds that [Missouri has the sixth-lowest cost of living in the United States](#). In general, Midwestern and Southern states were the least expensive, while the most expensive areas were in the Northeast and on the West Coast. Among all states, Mississippi had the lowest cost of living, and the District of Columbia had the highest. Hawaii and Alaska typically rank as the most expensive states.



Within Missouri, the cost of living varies widely from county to county, with 20 points separating the most and least expensive counties, St. Louis and Texas, respectively. Among Missouri counties, only St. Louis City and County had a higher cost of living than the national average. The cost of living tends to be higher in metro counties (92.3) compared to nonmetro counties (89.7). However, Missouri's eight largest metropolitan statistical areas (MSA) all have a lower cost of living than the national average. Although Missouri wages are typically lower than the national average, a lower cost of living allows workers to sustain purchasing power levels closer to those in more expensive states.

Additional Notes and Resources

- [The Federal Reserve Bank of Atlanta publishes the Underlying Inflation Dashboard](#), a tool that provides multiple inflation measures with information on how each measure is calculated.
- [C2ER's Cost of Living Index provides cost of living information](#) by state, county and MSA and allows users to compare prices and cost of living between more than 250 MSAs.

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