

The novel coronavirus, or COVID-19, pandemic is a global health concern and the focus of many efforts to understand, contain, and treat this disease. In addition to these tremendous efforts, we must also consider the coronavirus' impact on Missouri's economy. Like the health impact data, timely indicators are limited at the moment. However, this periodic Missouri Economy Indicators Update series will highlight some figures to watch and potential resources that can help businesses navigate this situation.

Initial Unemployment Claims – Week Ending March 28

Data on seasonally-adjusted initial unemployment insurance claims are released weekly by the U.S. Department of Labor and state counterparts to track people applying for unemployment insurance after a layoff or job loss. Initial claims for the United States, for the week ending March 28, totaled 6.6 million, or double the prior week's 3.3 million claims. Just two weeks earlier U.S. weekly initial claims were under 300,000.

104,000 Missouri Initial Unemployment Claims for Week Ending March 28

Similar to the U.S. figures, Missouri's claims more than doubled from the prior week's 42,000 claims. Two weeks ago, initial claims in the state were just under 4,000. Missouri layoffs were notable in Accommodation and Food Services, Health Care and Social Assistance, and Retail Trade industries. Health Care is Missouri's largest employing sector so temporary layoffs due to non-urgent care visit declines may be the reason it was noted.

Source: Missouri Department of Labor and Industrial Relations and the U.S. Department of Labor

Missouri's February seasonally-adjusted unemployment rate stood at 3.5%, the same as the United States. If initial claims continue at this high level, the U.S. and Missouri will likely see unemployment rates over 10% in the coming months. The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law March 27, is designed to assist workers facing unemployment and the businesses struggling to pay employees during this difficult situation.

Industries initially impacted

The company Tourism Economics estimates that, by the week ending March 21, Missouri travel spending was down by \$190 million, or 63%, from the same week in 2019. Initial unemployment claims also point to early impacts for tourism-related and retail industries. While impacts are expanding to other industries, this brief explores the firms initially hit with job layoffs.

Tourism-related industries include restaurants, lodging, arts and recreation, and travel services that serve both Missouri and out-of-state customers. Retailers, except for operating grocery, pharmacy, hardware, and related stores, are also impacted as department stores and smaller shops close or have limited sales. **These tourism-related and select retail firms account for 18% of private sector employment in Missouri.**

The 15 core metropolitan counties, such as St. Louis, Boone, Greene, etc., account for about 74% of these jobs (in dark orange counties on map). Rural counties are defined, for this analysis, as outlying metropolitan or non-metropolitan counties. The table below shows the 2019 estimates of jobs and businesses for these industries in Missouri and the two areas.



Missouri 2019 Tourism-Related & Select Retail Industry Employment and Businesses

Missouri			Core Metro Counties		Rural Counties	
	Sector	Jobs	Businesses	Jobs	Businesses	Jobs
Restaurants	229,284	11,352	176,163	8,137	53,121	3,215
Select Retail Stores (except Grocery, Supercenter, Pharmacy, Hardware, & Related)	129,575	10,765	102,097	7,232	27,475	3,533
Lodging	35,259	1,390	23,640	651	11,619	739
Arts and Recreation	29,544	1,672	22,016	974	7,528	698
Art, Sport, & Rec. Instruction	4,491	624	4,014	516	477	108
Travel Arrangements	2,841	176	755	64	2,086	112
TOTALS	430,995	25,977	328,685	17,573	102,307	8,404

Source: EMSI estimates based on the U.S. Bureau of Labor Statistics Census of Employment and Wages

The core metropolitan and rural counties have similar concentrations of tourism-related and select retail jobs. Core metro counties do have relatively more jobs concentrated in professional services, company management, health care, and finance compared to other Missouri counties. The rural counties have relatively more manufacturing, retail, and agricultural employment.

Additional Resources

- **Missouri Department of Labor and Industrial Relations** offers information for businesses and workers facing unemployment at: <https://labor.mo.gov/coronavirus>
- **Missouri Chamber of Commerce** has information on the federal funds available to assist companies and other helpful resources at: <https://mochamber.com/coronavirus/>
- **Missouri Small Business Development Center COVID-19 Resource Page** has a small business guide to the CARES act, video guides, and other resources at: <https://sbdc.missouri.edu/sbdc-covid-19-resources>

This brief is the second in a series to explore economic indicators, impacts associated with the COVID-19 pandemic, and to highlight resources that may help our businesses during this difficult time. Future updates will be available in the coming weeks at: <https://tinyurl.com/ExceedEconomyIndicators>

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