

# COVID-19 Missouri Economy Indicators

## Household Spending

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This Missouri Economy Indicators Update series highlights data and potential resources that can help businesses, policymakers and other decision makers navigate economic changes during COVID-19.

### Household Spending Reflects Continued Consumer Uncertainty

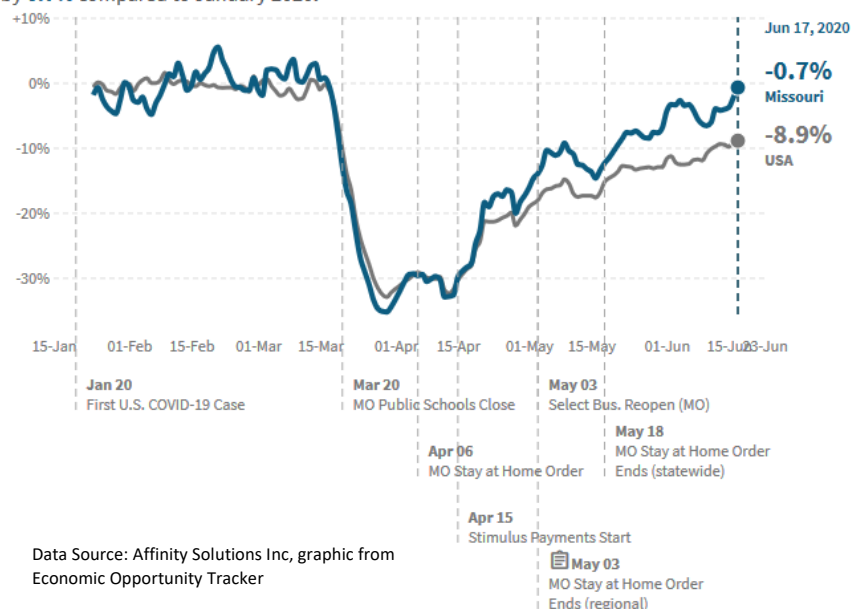
Personal consumption expenditures account for almost 70% of the U.S. economy, and consumer spending drives job creation and household income. Consumer spending began declining in mid-March before Missouri issued its stay-at-home order, and it has unevenly increased since April. This brief updates an earlier analysis of spending through April 30. The new data compare how spending has varied by household income and expense type. Spending has rebounded the least among high-income households. Consumers have continued to most restrict spending on restaurants, transportation and arts and entertainment.

### Missouri Household Spending Levels Continue to Unevenly Rebound

Relative to the U.S. average, consumer spending in Missouri has more quickly returned to January 2020 levels; see graphic at right. At the end of March—the lowest spending point since the pandemic began—Missouri household spending had dropped 35% compared with January. Spending recovered as households received federal stimulus payments and the state began to reopen. By June 17, households spent nearly as much as they did in January.

#### Household Spending from January – June 17, 2020

In **Missouri**, as of June 17 2020, total spending by all consumers decreased by **0.7%** compared to January 2020.



#### Percent Change in Spending by Income

Comparing January to June 17, 2020

Household Income	Percent Change	
	MO	U.S.
<b>Total</b>		
Low-income	-3%	-3%
Middle-income	+2%	-8%
High-income	-8%	-13%

Data are seasonally adjusted with spending levels from the same day in 2019.

When comparing January to mid-June, spending patterns differed by an area's household income; see table at left. In Missouri, middle-income households spent 2% more in mid-June than they did in January. Missouri high-income households spent 8% less, and all U.S. high-income households spent 13% less. Missouri and

U.S. low-income consumers spent 3% less. Missouri has a lower share of high-income households than the U.S.\*

## Spending Changes by Category

From the end of April to June 17, Missouri's total consumer spending increased a net of 16 percentage points. Category spending reveals that grocery store purchases in mid-June were 12% higher than in January but have declined as Missouri businesses have reopened.

The table at right summarizes how consumer spending changed across six major spending categories from January to April 30 and January to June 17. Spending at apparel and general merchandise stores—such as Walmart

and Target—fell less and had nearly returned to the January level by mid-June. In contrast, spending on transportation and arts, entertainment and recreation recovered somewhat but was down by 45% in mid-June compared with January. Continued weak spending on services may indicate how consumers' concerns about COVID-19 exposure affects their behavior. Health care spending increased most since the end of April.

Many factors will influence future spending trends including the continuation or expansion of federal assistance spending. Examining spending by total household income and expense category indicates that safety concerns appeared to continue to affect consumer spending in June. Sustained spending declines may lead to further unemployment, declines in income and spending reductions.

\*Data source: Affinity Solutions Inc., credit and debit card spending by state indexed to Jan. 4-31, 2020 levels. This data set captures spending by cardholder location, not a store. This information closely reflects national patterns observed in other consumer spending data sets. Daily values are a seven-day average of a given day and the six preceding days. The median income of each zip code is used to classify spending in that area as high-income households (top quintile), low-income households (bottom quintile) and middle-income households (all others). In Missouri, only 3.9% of households earn more than \$200,000 compared with 6.3% of all U.S. households, according to 2013-2017 American Community Survey data.

## Additional Resources

- **Opportunity Insights Economic Tracker** provides the data and analysis used in this brief for all states at [tracker.opportunityinsights.org](https://tracker.opportunityinsights.org). Read more about this data source and how it compares to other data sets here: [opportunityinsights.org/wp-content/uploads/2020/05/tracker\\_paper.pdf](https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf)
- **Missouri Small Business Development Center COVID-19 Resource Page** has a small business guide to the CARES Act, video guides and other resources at [sbdc.missouri.edu/sbdc-covid-19-resources](https://sbdc.missouri.edu/sbdc-covid-19-resources)

*This brief is the eighth in a series meant to explore economic indicators associated with the COVID-19 pandemic. Future updates will be available at [tinyurl.com/ExceedEconomyIndicators](https://tinyurl.com/ExceedEconomyIndicators)*

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