

COVID-19 Missouri Economy Indicators

Household Spending

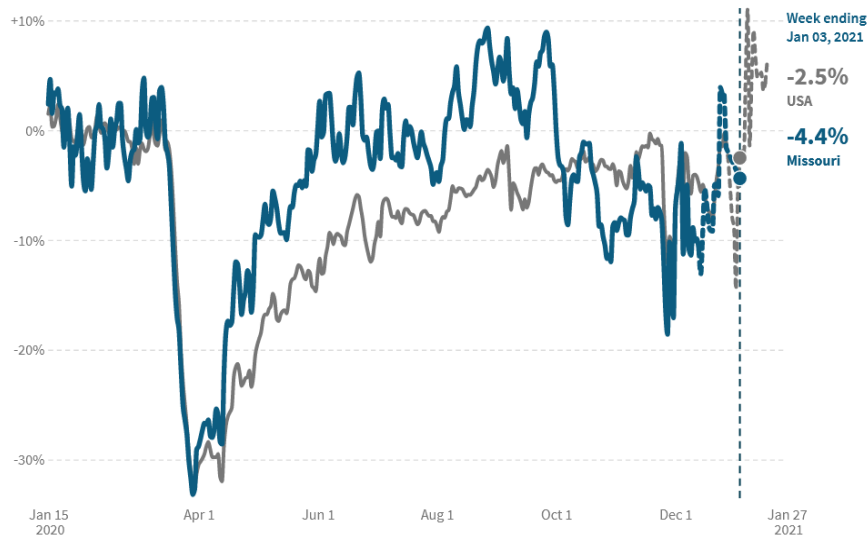
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Personal consumption expenditures account for almost 70% of the U.S. economy, and they drive job creation and household income. Consumer spending changes during the pandemic have benefitted some sectors such as grocery stores, but entertainment, arts and hotel spending has been far below normal. This brief shares this series' fifth analysis of Missouri consumer spending; it provides an update on spending since Nov. 1.

Missouri Spending Below Average; U.S. Boost from Stimulus

From early April to Oct. 1, 2020, Missouri households increased their spending faster and were spending closer to 2019 levels than the average U.S. household. From October to mid-December, Missouri households began to restrict spending and often spent less than in 2019, but spending had an end-of-year rally. U.S. spending returned to pre-pandemic levels for the first time in January 2021 after stimulus check distribution.

A Year of Household Spending Compared to January 2020



Source: Affinity Solutions Inc. graphic from Opportunity Insights Economic Tracker

Missouri's Household Spending Declines, Especially Among Areas with High Median Incomes

For the week ending Jan. 3, 2021, household spending was 4% less than in January 2020 — consistent with U.S. spending; see figure above. During this period, Missouri household spending was more robust than spending in Kansas, Iowa or Illinois (6% to -12%) and less robust than spending in Arkansas, Kentucky, Nebraska or Tennessee (+11% to -1%).

Missouri Spending Changes by Income

Comparing January 2020 to Jan. 3, 2021

Household Income	Percent Change	
	MO	U.S.
Total	-4%	-3%
Low-income	-7%	+3%
Middle-income	+6%	-2%
High-income	-22%	-7%

Data are seasonally adjusted with spending levels from the same day in 2020.

Comparing January 2021 consumer purchases with year-ago levels, spending patterns differed by an area's median household income; see table at left. In Missouri, areas with high median incomes continued to spend less; on average, high-income areas in the U.S. had stronger spending than those in Missouri. Missouri middle median income areas spent more in early January 2021 than they did a year ago, and low-income areas spent less.*

Consumers Restrict Spending Differently by Sector

Changes in year-over-year consumer spending have varied across six major categories; see table at right. *Arts, Entertainment and Recreation* spending in Missouri contracted most severely — and worse than the U.S. overall. *Grocery* spending was higher than normal. *Restaurants and Hotels* spending steadily rebounded through early September before averaging between 20% and 40% less than January 2020 levels for the rest of the year. *Health Care* spending was 3% lower for the week ending Jan. 3 than a year ago. *Retail* spending, including online purchases, was higher than in January 2020 in Missouri and much higher in the U.S.

Comparing Consumer Spending by Sector

Expense Type	Percent Change Jan. 2020 – Jan. 3, 2021	
	Missouri	U.S.
Total	-4%	-3%
Grocery	+17%	+15%
Retail (store & online)	+4%	+16%
Health Care	+3%	-11%
Restaurants & Hotels	-25%	-28%
Transportation	-46%	-44%
Arts, Enter., & Rec.	-69%	-54%

Seasonally adjusted data with spending from same day in 2020

Missouri Store Foot Traffic Higher Than U.S. Average

Avg. Foot Traffic Change (Jan. 4-17)		
2020 to 2021	MO	U.S.
All Categories	-2%	-10%
Home Improvement	38%	28%
Electronics	13%	12%
Apparel	8%	-9%
Shop & Service	6%	3%
Superstores	5%	1%
Medical & Health	-3%	-10%
Groceries	-5%	-2%
Shopping Centers	-7%	-20%
Hotel/Casinos	-18%	-27%
Dining	-20%	-30%
Fitness	-22%	-42%

Missouri consumers are re-entering stores at a more similar rate to last year than the U.S. average. Compared with Jan. 4-17, 2020, 2% fewer people visited a set of 170 Missouri chain stores during those weeks in 2021. Foot traffic varied by store type. Fitness businesses saw a 22% decline in Missouri, and 20% fewer people entered Missouri restaurants. These store traffic reductions suggest consumers continue to avoid indoor places that may be crowded. Home improvement and electronics stores had higher than normal foot traffic in Missouri and the U.S. overall.

* Data source: Affinity Solutions Inc. credit and debit card spending by state indexed to Jan. 4 to Jan. 31, 2020, levels. The data capture spending by cardholder, not store, location. Daily values are a seven-day average of a given day and the six preceding days. Each zip code's median income classifies spending as high-income (top quartile), low-income (bottom quartile) and middle-income households (all others).

Data Sources and Resource

- **Opportunity Insights Economic Tracker** data are available at tracker.opportunityinsights.org
- **Placer.ai Foot Traffic Reports** aggregate data from an estimated 170 leading U.S. chain stores; year-over-year weekly comparisons are offered at placer.ai/the-square/industry-trends/
- **Missouri Small Business Development Centers** provide confidential business assistance at sbdc.missouri.edu.

All briefs in the economy indicators series and future updates will be available at tinyurl.com/ExceedEconomyIndicators

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