



Missouri Economy Indicators

Supply Chain Delays and Difficulties

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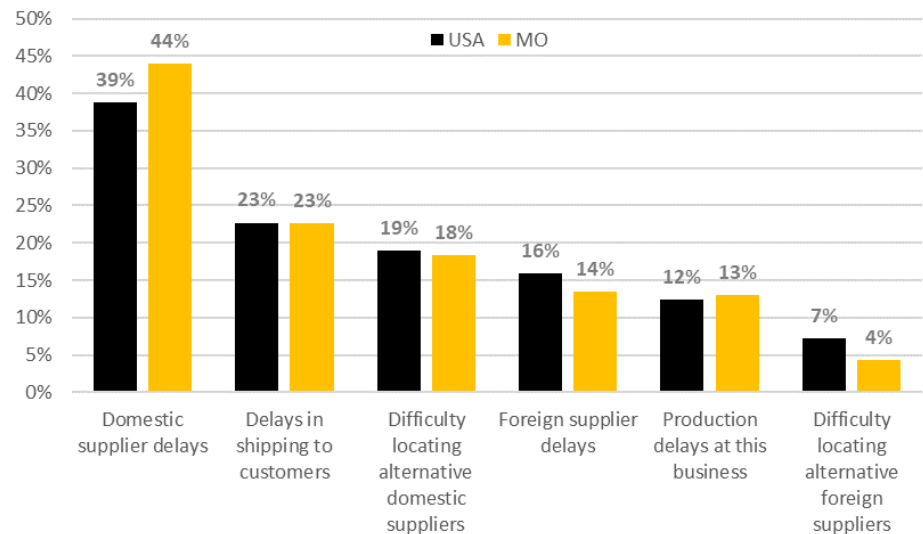
During the past 18 months, the U.S. has faced supply chain disruptions due to the COVID-19 pandemic, labor shortages and related issues. This brief explores the prevalence of supply chain delays and difficulties in Missouri and across the U.S., citing data from the U.S. Census Bureau Small Business Pulse Survey.

Missouri and U.S. Supply Chain Disruptions

As of the week of July 12, 2021, 49% of Missouri small businesses and 46% of U.S. small businesses reported some type of supply chain delays or difficulties.

Domestic supplier delays were most common; 44% of Missouri small businesses and 39% of U.S. small businesses experienced these types of delays. Nearly a quarter of U.S. and Missouri small businesses reported delays in shipping to customers.

Percentage of Small Businesses Experiencing Various Supply Chain Delays or Difficulties



Source: MU Extension Exceed chart using U.S. Census Small Business Pulse Survey data, as of July 12, 2021

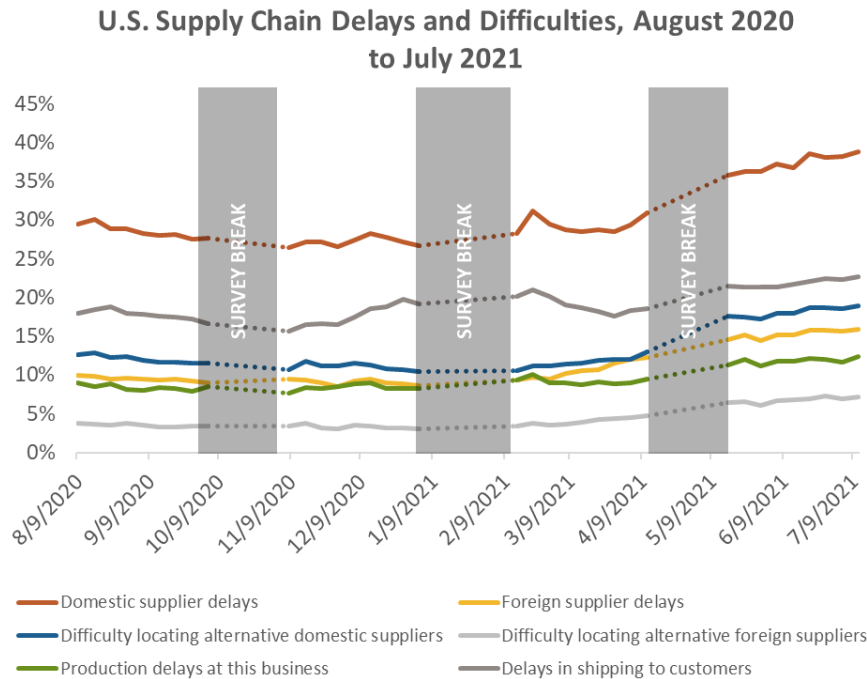
Supply Chain Challenges in Neighboring States and by U.S. Industry

Some states have fared better than others with respect to supply chain challenges. Of Missouri’s neighbors, Kentucky has experienced the fewest disruptions as 43% of Kentucky small businesses reported supply chain challenges in July 2021. Arkansas fared the worst as 57% of small businesses reported supply chain challenges. At 49%, Missouri had an average experience with disruptions compared to its neighbors.

Unsurprisingly, U.S. goods-oriented industries have faced more supply chain disruptions than service-oriented industries. *Manufacturing, Wholesale Trade, Retail Trade* and *Construction* were the four most impacted sectors in July 2021; 75%, 69%, 69% and 65% of small businesses, respectively, reported supply chain delays or difficulties. Interestingly, service-oriented *Accommodation and Food Service* reported the fifth highest prevalence of disruptions (57%) – perhaps due to recent meat and labor shortages. Other service-oriented sectors such as *Management, Finance and Insurance* and *Educational Services* reported the fewest disruptions.

Supply Chain Challenges over the Past Year

In the past year, reported supply chain delays and disruptions fluctuated. As of the week of July 12, 2021, 46% of U.S. small businesses reported supply chain disruptions – up from 39% in the week of Aug. 9, 2020.



Source: MU Extension Exceed chart using U.S. Census Small Business Pulse Survey data.

Domestic supplier delays in particular have become more common. In November 2020, this category hit a low of 27% of businesses reporting such delays. By early July 2021, 39% of U.S. small businesses reported domestic supplier delays.

Disruptions in all supply chain categories increased in the past year. The majority of this spike occurred since April 2021. This spike corresponds with the increase in COVID-19 vaccination rates and subsequent easing of coronavirus restrictions. These data provide evidence that a re-opening U.S. economy and subsequent increase in consumer demand may have driven supply chain disruptions.

Additional Resources

- Inc. Magazine discusses some common supply chain mistakes and how to avoid them: [inc.com/bill_hobbs/3-supply-chain-mistakes-small-businesses-make.html](https://www.inc.com/bill-hobbs/3-supply-chain-mistakes-small-businesses-make.html)
- The Missouri Small Business Development Center's "Guide to Conquering a Business Disruption" provides a short list of tips your business can use, and it lists centers to contact for further assistance: extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/SBTDC/Docs/GuidetoConqueringaBusinessDisruption-Missouri.pdf

Source:

U.S. Census Bureau, Small Business Pulse Survey, 2020/21: portal.census.gov/pulse/data/#data

All Missouri Economy Indicators briefs in this series are available at tinyurl.com/ExceedEconomyIndicators

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