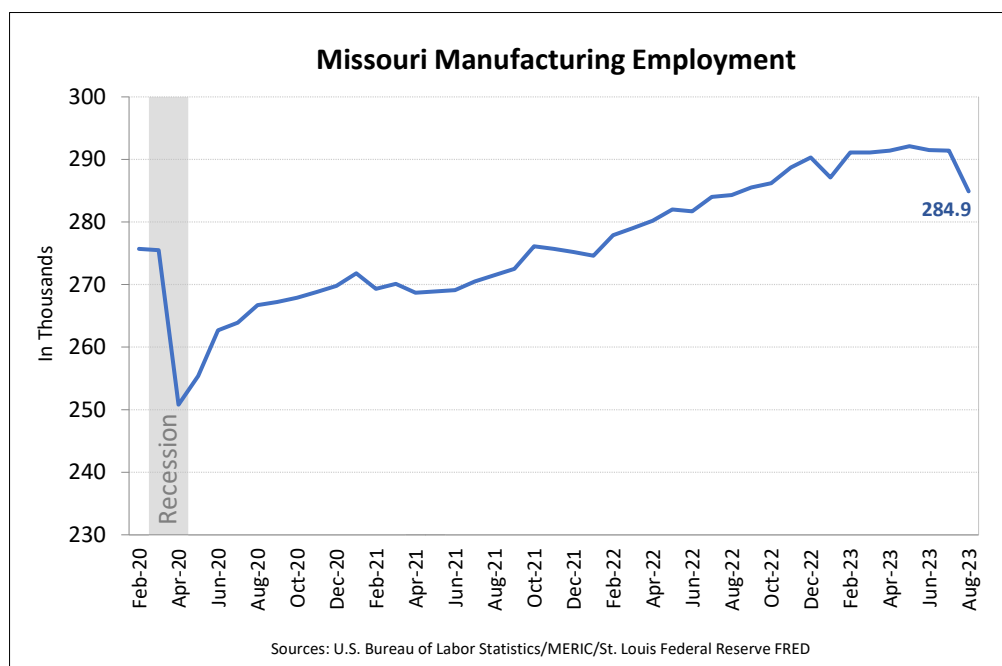


The Missouri Manufacturing Indicators is a bi-monthly brief that uses several surveys to highlight recent manufacturing economic activity. Highlights for the September 2023 brief include:

- The Missouri manufacturing sector employed 284,900 people in August 2023 after a loss of 6,500 jobs from a month earlier. This steep decline, after months of slowing job growth, could be a temporary blip but bears watching over the next few months.
- The August 2023 Missouri purchasing management index sent mixed signals regarding future output. The overall index indicated that manufacturers expect output to stay slightly elevated over the next few months, while a lower new orders sub-index signaled a slowdown in future production.
- The Mid-America price index, for Missouri and most surrounding states, indicates that wholesale price inflation remains an issue for regional manufacturers heading into the fall of 2023.
- Missouri manufacturing hourly earnings advanced by 8.5% from a year earlier, based on a three-month moving average ending in August. This growth rate surpassed annual consumer inflation of 3.4%.

Missouri Manufacturing Employment Decreases in August from the Prior Month

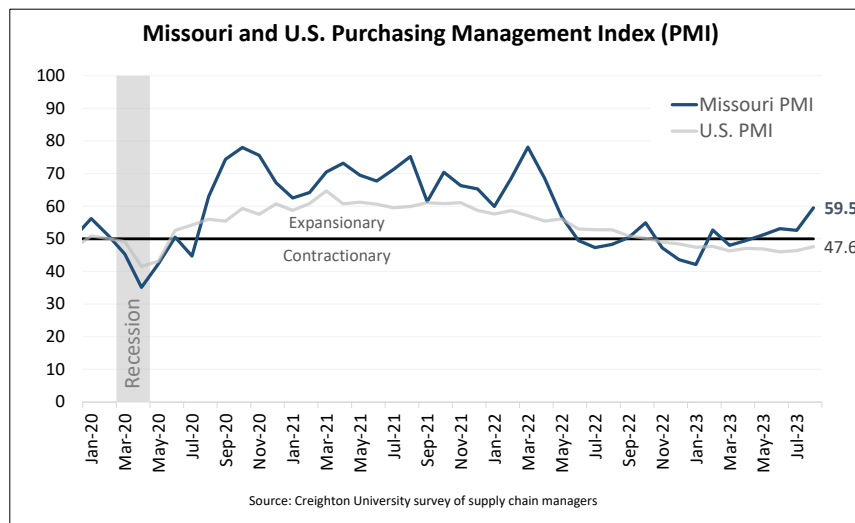
Missouri manufacturers employed 284,900 workers in August 2023, according to preliminary estimates from the U.S. Bureau of Labor Statistics (BLS). From July to August, Missouri manufacturing jobs declined drastically by 6,500. This could be a blip, perhaps due to a temporary shutdown at a large plant, but will bear watching as these preliminary figures get revised in the coming months.



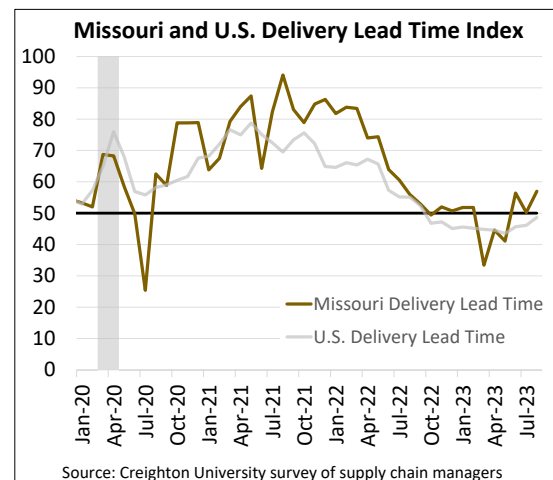
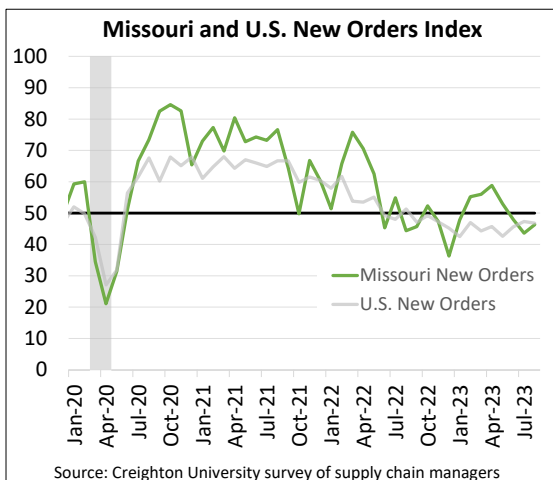
Missouri Purchasing Management Index (PMI) Remains in Expansionary Territory

Creighton University produces a monthly purchasing management index that averages several indices to track trends such as new orders, production, and inventories. The index ranges between 0 and 100 with values over 50 indicating an expansionary outlook for manufacturing over the next three to six months and values below 50 pointing toward a contractionary period. The index is a leading indicator of manufacturing activity and mirrors the national Institute of Supply Management (ISM) survey methodology.

- The August 2023 PMI index shows Missouri moving up for the fourth month into expansionary territory (59.5). The U.S. level was 47.6 in August, marking ten months that the national index has been in contractionary territory.



- The Missouri new orders index was 46.3 in August, marking three months in contractionary territory. For comparison, the U.S. new orders index was 46.8 in August. This indicator forecasts that future production may be lower in the coming months for Missouri manufacturers.
- Elevated supplier delivery lead times – an issue in 2020 through early 2022 – had eased by 2023 but have increased over the past few months indicating plants are waiting longer for supplier deliveries.



Mid-America Wholesale Price Index Remains Elevated in 2023

According to the Creighton University survey, wholesale prices in the Mid-America states (see map) had been dropping during the second half of 2022 as inflation pressures moderated.

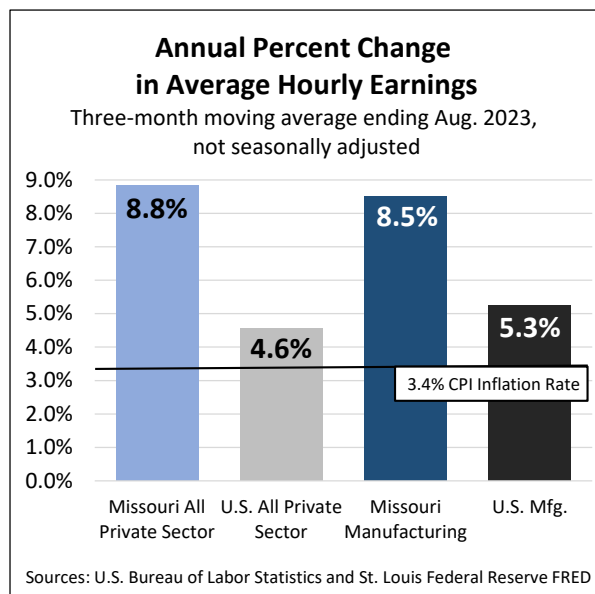
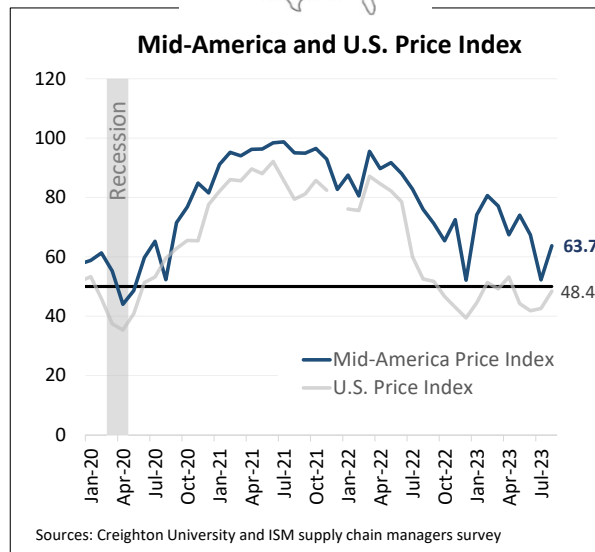
However, the Mid-America price index through August 2023 was still elevated (63.7) indicating that inflationary pressures remain for regional manufacturers. State-level price indices are not available.

Missouri Private Sector and Manufacturing Earnings Rise at Faster Rate than U.S. Levels

Missouri manufacturing employees' three-month average hourly earnings was \$33.33 in August 2023, up 8.5% from a year earlier. Earnings data – gross payrolls divided by total hours worked – come from non-seasonally adjusted, preliminary figures produced by the U.S. Bureau of Labor Statistics. The U.S. growth rate of manufacturing earnings was 5.3% over the same period – see chart. Average hourly earnings for U.S. producers were \$32.52 for the three-month average ending in August.

Missouri's manufacturing earnings growth rate of 8.5% was less than the year-over-year increase in Missouri's total private sector hourly earnings (8.8%). Private sector earnings in the U.S. increased by 4.6% year-over-year.

With an inflation rate of 3.4% over the same period, earnings gained in Missouri's private and manufacturing sectors were significantly higher than annual consumer price increases.



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