



The United States Conference of Mayors

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The United States Conference of Mayors Releases Missouri Metro Economies Report

Shows Metro Areas Drive State's Economy

St. Louis, MO –The United States Conference of Mayors released a new report today that underscores the importance of Missouri's metro areas to the overall state's economy. Presented during a press conference led by St. Louis Mayor Francis Slay and the U.S. Conference of Mayors Executive Director Tom Cochran, the **Missouri Metro Economies Report** reveals that the six metro areas are the engines that drive the state's economy, producing nearly 75% of gross state product (GSP) and employment. St. Louis generates almost 40%, or \$78.5 billion, of the state's GSP. The study also shows that Missouri's top six metros (St. Louis, Columbia, Joplin, Kansas City, St. Joseph, and Springfield) represent almost 82% of the state's labor income.

Mayor Slay said, "More than anyone, mayors know that the social and economic prosperity of the nation depends on continued willingness to support and strengthen metro economies. During this critical time in our country as we move closer to the Presidential election, it is imperative that both presidential candidates understand that the nation's 318 metro economies - made up of cities and suburbs - are the backbone of our economy."

The Missouri report, the fifth in a series of statewide metro economy and jobs report, follows the Conference's release of the **Mayors' '04 Metro Agenda** in Chicago last month. The Metro Agenda focuses on issues that impact the strength of America's cities including job creation, infrastructure and transportation investment, public safety and homeland security, and brownfields redevelopment.

The U.S. Conference of Mayors Executive Director Tom Cochran said, "America's strength has always been locally driven, in cities and its communities. With the presidential election underway, it is essential that both candidates address the need for jobs and sustained economic growth." The nation's mayors are calling on both presidential candidates to include all or part of the Mayor's '04 Metro Agenda for Cities in their domestic policy.

The study, conducted by Global Insight, Inc., also indicates how important metros are to the state's economy in the area of job creation. Between 1993 and 2000, Missouri's metro areas were responsible for nearly 73% of the state's job growth. St. Louis and Kansas City together were responsible for more than 54% of payroll gains across the state.

However, as the economy moved into a recession, 99% of the state's job losses occurred in the six metro areas. The top three sectors to lose jobs in Missouri from 2000-2003 were: Durable Manufacturing (27,953 jobs lost), Non-durable Manufacturing (19,966 jobs lost), and Transportation and Warehousing (19,003 jobs lost). The state is slated to recover only 15% of its Durable Manufacturing jobs through 2006. From 2000-2004, Missouri ranked 37th among all states in jobs lost (down 1.7%), but is forecast to rank 29th in employment growth of 5.4% for the period 2004-2008.

The expected job gains in the state will not necessarily return in the same sectors where they were lost. The top three sectors for job growth for 2003-2006 will be Health Care & Social Assistance (20,300 jobs gained); followed by Construction (16,072 jobs gained); and Retail Trade (11,195 jobs gained).

Also during the same period, Missouri lost an estimated \$4.8 billion in wages as a result of job cutbacks. The average annual wage of jobs lost during that time period was \$41,697. The average wage of jobs that will be gained from 2003-2006 is projected to be \$33,011, **resulting in a wage gap of 20.8%**, which is significantly higher than the 12% national wage gap. This wage gap will cost the state \$1.8 billion dollars annually over 2003-2006.

While Missouri moved out of the negative year-over-year employment growth in March 2004, the reality is that most of Missouri's metro areas will not return to their peak pre-recession job levels for several years: Columbia – 2005Q1; Joplin – 2006Q1; Kansas City – 2008Q2; St. Joseph – 2009Q3; St. Louis - 2007Q1; and Springfield – 2004Q2.

St. Louis' economy rebounded in 2004. St. Louis' metro area has added more than 29,000 jobs through July 2004 and is expected to see real GMP growth of 4.2%.

“By investing in cities and metro areas, we can create good jobs, promote small business development, and create hope and opportunity for millions of Americans,” Mayor Slay concluded.

View both the Missouri Metro Economies Report and the Mayors' '04 Metro Agenda online at www.usmayors.org.

The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today, each represented in the Conference by its chief elected official, the Mayor.

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