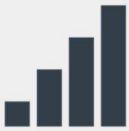
St. Louis, MO

Headlines

- The St. Louis unemployment rate has been below the U.S. rate for 31 consecutive months.
- If wage growth continues to outpace the national average, it could boost consumer spending in the near term.
- Annual home price growth has topped national growth for 20 successive months through June by an average of 1.6% per month.

KEY FACTS

Population: 2.8 mil.
(ranked 21/411 MSAs)
Source: Bureau of Census; Moody's Analytics



GDP: 2.2%
(ranked 201/411 MSAs)
Source: Bureau of Economic Analysis; Moody's Analytics

Job Growth: -0.2%
(ranked 272/411 MSAs)
Source: Bureau of Labor Statistics

HPI Growth: 2.9%
(ranked 176/411 MSAs)
Source: CoreLogic, Inc.; Moody's Analytics

"...mining, logging & construction employment has surged thus far in 2026 due to major public infrastructure projects such as the widening of I-70."

The St. Louis Metropolitan Statistical Area (MSA) labor market cannot seem to gain any momentum. Nonfarm payrolls declined month-on-month in four of the past six months through July, with May payrolls unchanged and June posting a small increase of 0.2%. The decline in July was broad-based with employment falling in eight sectors, led by financial activities (-1.5%), other services (-1.2%) and mining, logging & construction (-0.9%). There were positive gains in manufacturing and education & healthcare, but those two sectors only represented about 25% of total employment in July and could not offset the broad-based declines.

The recent weakness has pushed year-ago growth below the national average for the last six months through July, with job losses in 12 of the last 15 months. Nonfarm payrolls fell 0.2% year-on-year in July, offsetting the 0.2% increase in June. The largest drops were in financial activities (-5.8%, the seventh consecutive decline), other services (-4.5%) and information (-2.1%). Information employment has fallen for 35 months in a row and is nearly 20% below its peak in November 2000. Conversely, mining, logging & construction employment has surged thus far in 2026 due to major public infrastructure projects such as the widening of I-70.

Despite recent job declines, the unemployment rate has fallen for three straight months through July. At 3.7% in July, the jobless rate is 40 basis points below the national average of 4.1% but slightly above the statewide average of 3.6%. Furthermore, **the St. Louis unemployment rate has been below the U.S. rate for 31 consecutive months.** The number of unemployed in the metro declined 2.0% month-on-month in July while the labor force contracted just 0.4%, lowering the unemployment rate.

The tighter labor market in the MSA failed to exert upward pressure on wages until recently. Average hourly earnings growth from a year earlier in the metro trailed the U.S. average for 30 consecutive months through June. In July, however, average hourly earnings rose 3.6% year-on-year compared to U.S. growth of 3.2%. Moreover, it's the fastest pace since May 2025. **If wage growth continues to outpace the national average, it could boost consumer spending in the near term.**

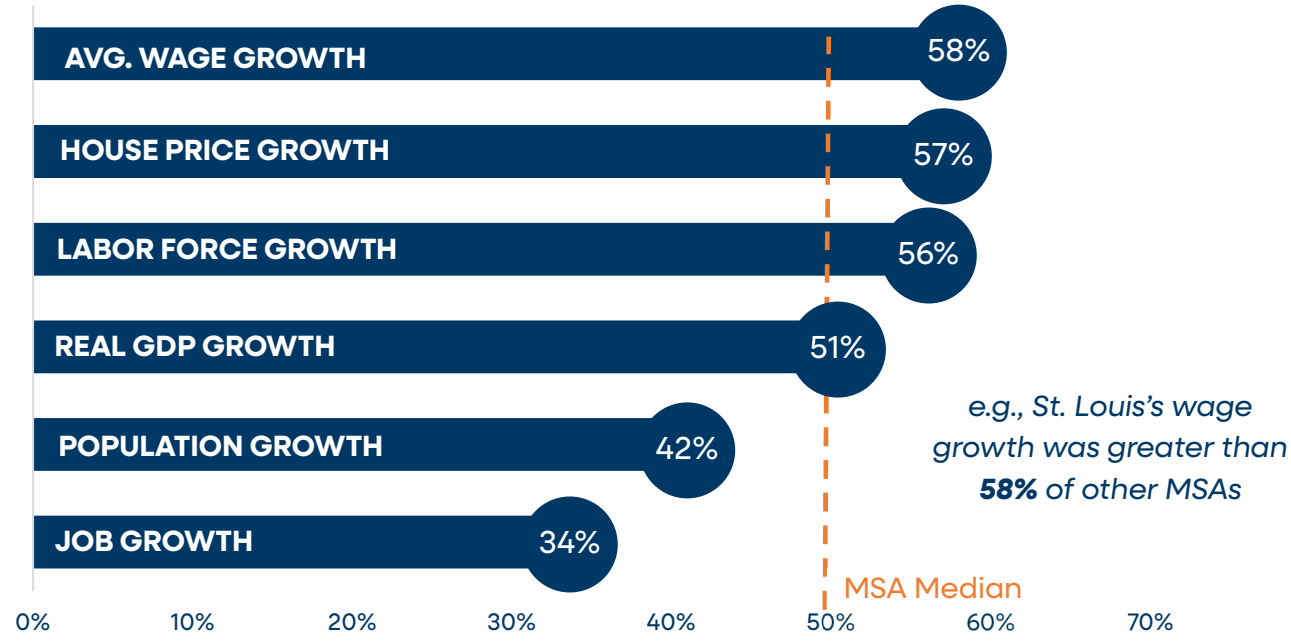
The St. Louis housing market has weakened since the start of the year. Existing single-family home sales rebounded from August to December of last year, but month-on-month growth was flat in January and then declined for five months in a row through June amid weak population growth and a stagnating labor force which is weighing on household formation. The recent declines pushed the year-on-year growth rate down from 13.8% in December to just 4.2% in June, below the national average of 6.7%.

Despite weak home demand in St. Louis, home prices continue to rise and outperform the U.S. Home prices in the metro area are up nearly 50% from February 2020 according to the CoreLogic, Cotality, Case-Shiller Home Price Index, slightly below the U.S. average of close to 54%. **Annual home price growth, however, has topped national growth for 20 successive months through June by an average of 1.6% per month.** Home price growth is expected to weaken in the near term amid rising inventories – the number of active listings for sales is up sharply from the low in early 2022 – weak population growth and continued out-migration.

Near term economic growth in St. Louis is expected to be roughly on par with sluggish regional growth as elevated tariffs and high oil prices limit growth in manufacturing and logistics. Furthermore, construction employment growth will cool absent a rebound in homebuilding. Longer term, a stagnating population and outmigration will keep growth in check.

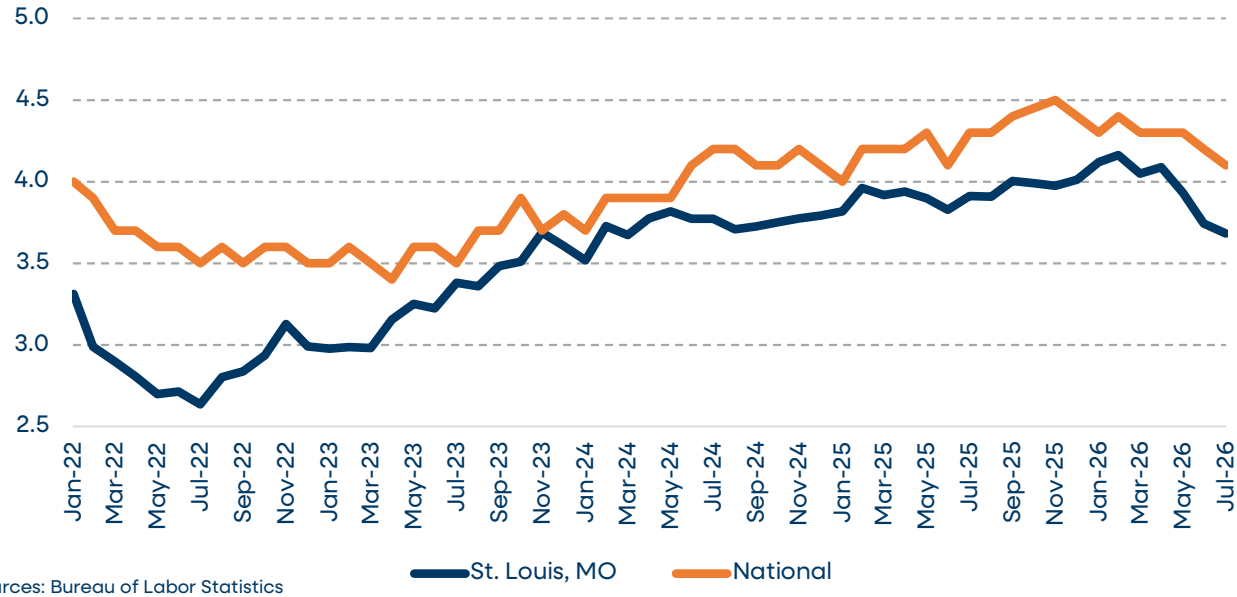
Key Charts and Figures

Figure 1: Key Metric Percentiles – St. Louis, MO vs. the Rest of the Country



Sources: Bureau of Economic Analysis; Moody's; Bureau of Labor Statistics; CoreLogic, Inc.; U.S. Census Bureau

Figure 2: Unemployment Rate: St. Louis, MO vs. National Average*



Sources: Bureau of Labor Statistics

*The October 2025 unemployment rates are an approximation. The official figures were not published due to the federal government shutdown during that month.

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