



2023 STATE OF THE ST. LOUIS

WORKFORCE

stlcc.edu/STLworkforce



- **St. Louis Economy**
- **Employer Survey**
- **Startups**
- **Spotlight on Startups and Job Creation**

2023 STATE OF THE ST. LOUIS

WORKFORCE

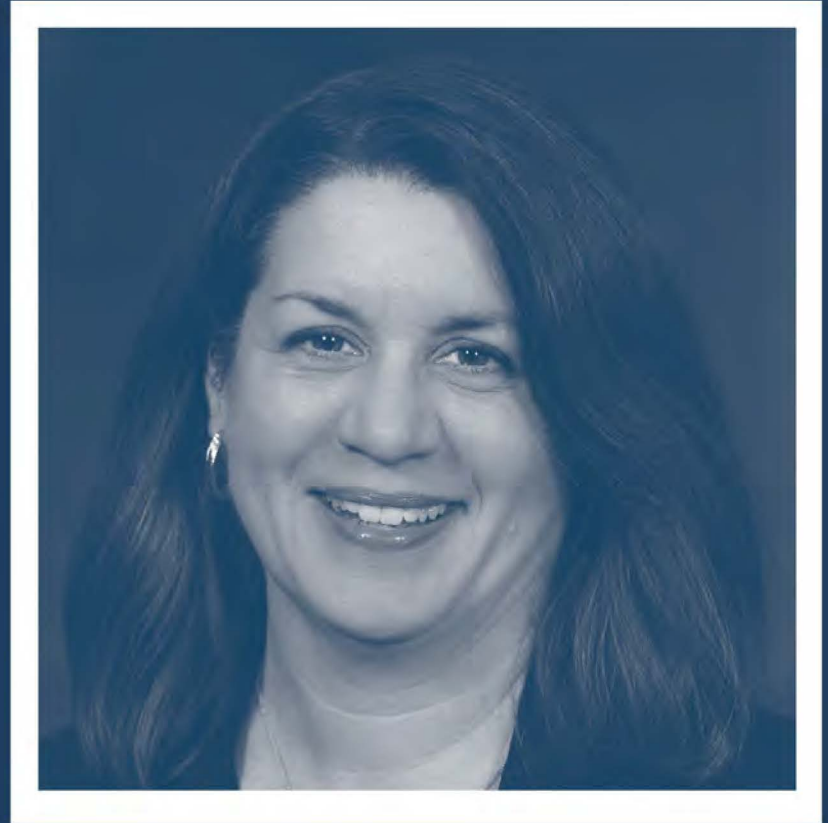


Jeff Pittman, Ph.D.

St. Louis Community College
Chancellor

2023 STATE OF THE ST. LOUIS

WORKFORCE



Phyllis Ellison

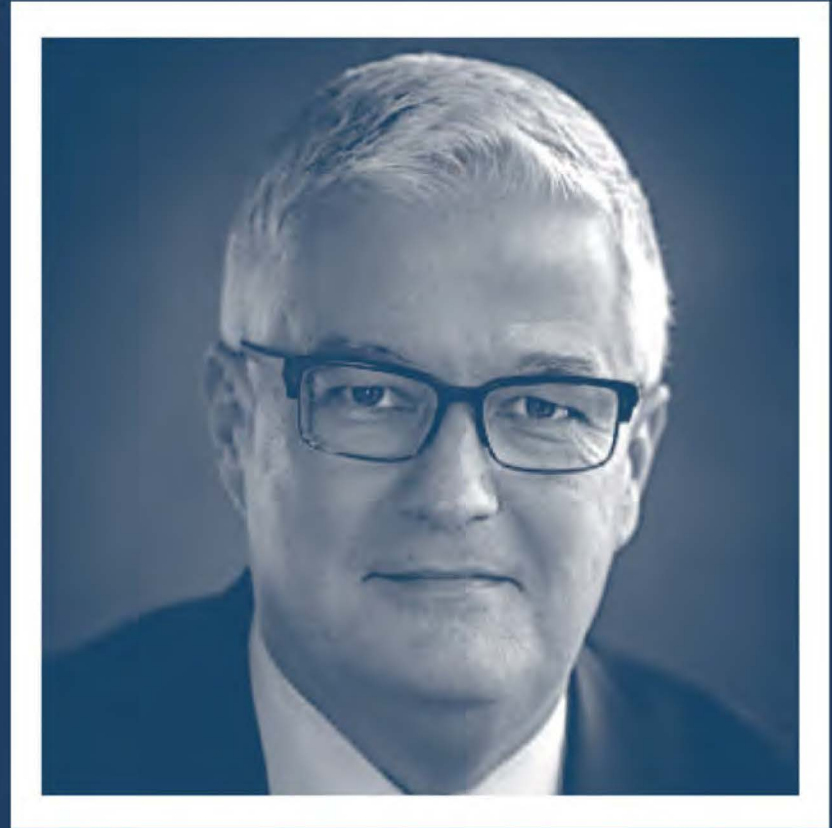
St. Louis Community College

Associate Vice Chancellor

Workforce Solutions Group

2023 STATE OF THE ST. LOUIS

WORKFORCE



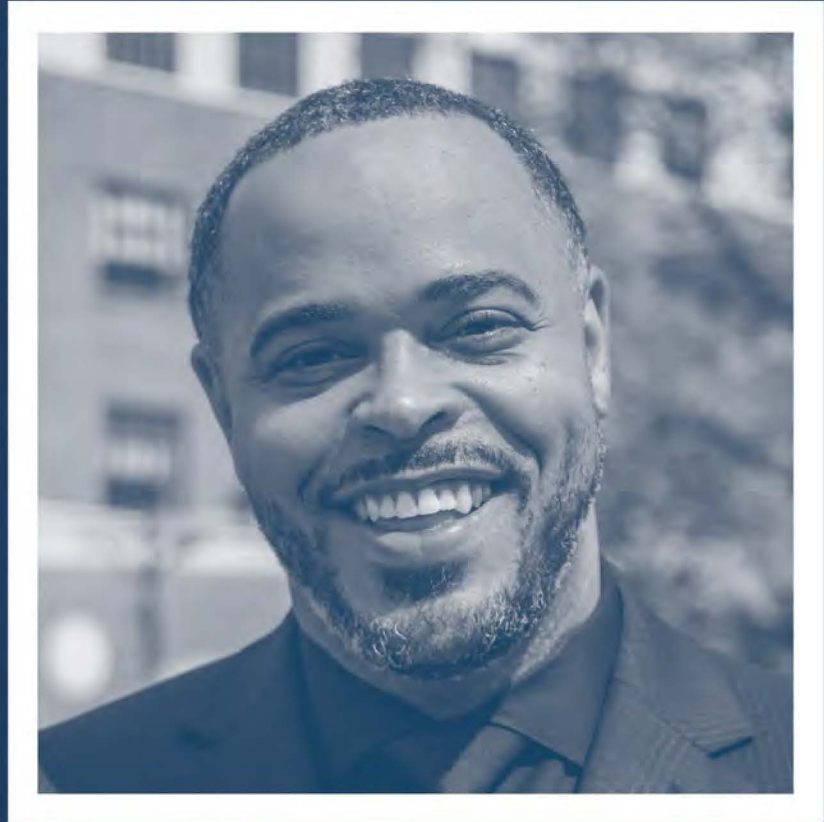
Featured panelist:

Kory Mathews

Advanced Manufacturing Innovation Center
CEO

2023 STATE OF THE ST. LOUIS

WORKFORCE



Featured panelist:

Chauncey Nelson

Gateway South Innovation District
President/CEO

2023 STATE OF THE ST. LOUIS

WORKFORCE



Featured panelist:

Kevin Webb

API Innovation Center
COO

2023 STATE OF THE ST. LOUIS

WORKFORCE



Featured speaker:

Charles Gascon

Federal Reserve Bank of St. Louis
Senior Economist

2023 STATE OF THE ST. LOUIS WORKFORCE

- 9:00 a.m.** **Welcome and Introductions**
Jeff Pittman, Ph.D., Chancellor
St. Louis Community College
- 9:05 a.m.** **Business Journal Partnership**
Robert Bobroff, Market President/Publisher
St. Louis Business Journal
- 9:10 a.m.** **National and Regional Trends in Manufacturing:**
Charles Gascon, Senior Economist
Federal Reserve Bank of St. Louis
- 9:30 a.m.** **State of the St. Louis Workforce**
Phyllis Ellison, Associate Vice Chancellor
St. Louis Community College
- 10:00 a.m.** **Panel Discussion:**
Jeff Pittman, Ph.D., Chancellor (moderator)
St. Louis Community College

Kory Mathews, CEO
American Manufacturing Innovation Center

Chauncey Nelson, President/CEO
Gateway South Innovation District

Kevin Webb, COO
API Innovation Center



2023 STATE OF THE ST. LOUIS

WORKFORCE

stlcc.edu/STLworkforce





Outlook for U.S. and St. Louis Economy

Focus on Manufacturing

Charles Gascon

Senior Economist

charles.s.gascon@stls.frb.org

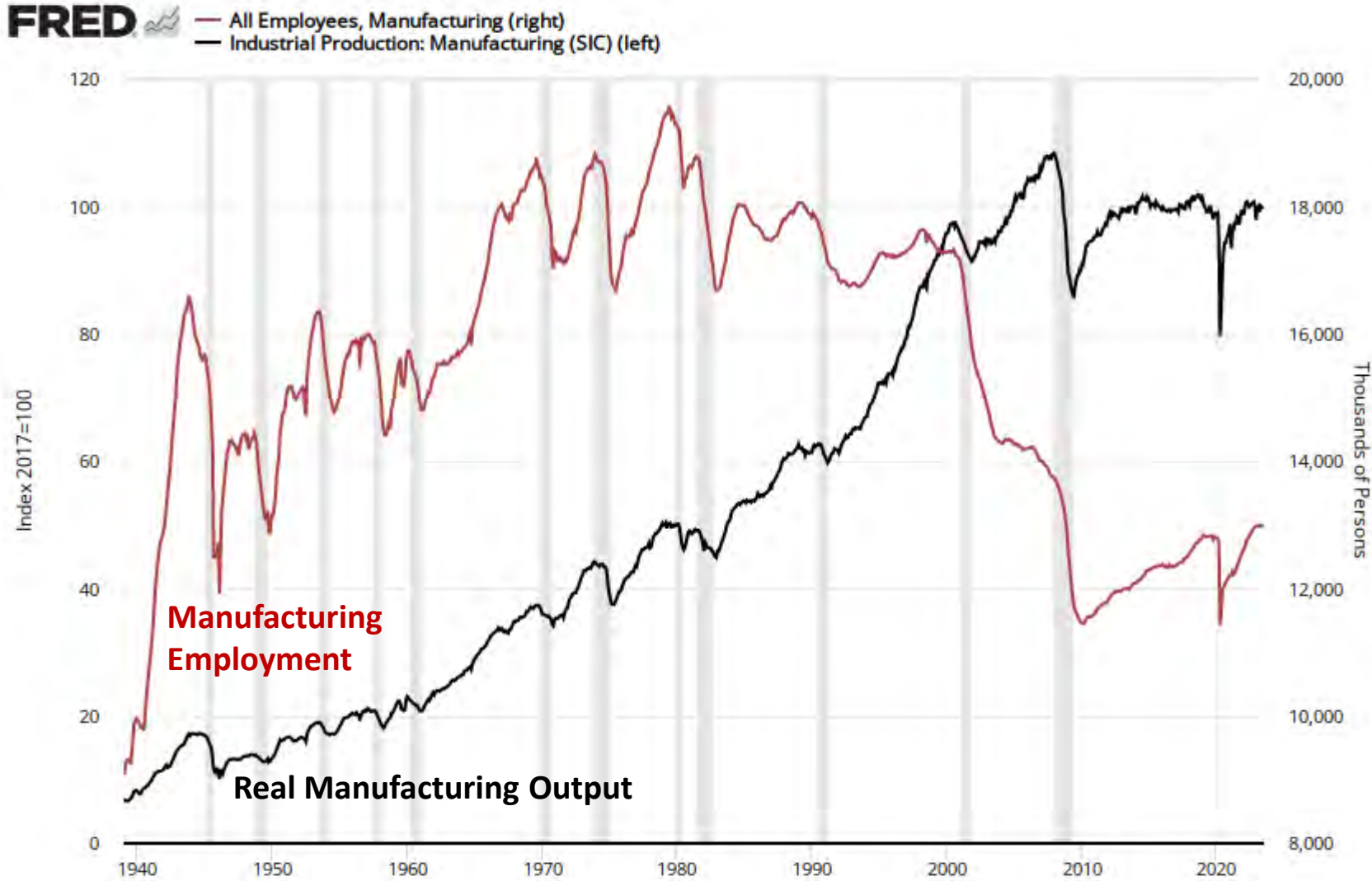
August 2023

Opinions expressed are those of the authors and do not necessarily reflect those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

Outline for today

- Two key themes to keep in mind today
 - Divergence in manufacturing output and employment
 - Unprecedented speed of the U.S. economic recovery
- Economic outlook for U.S. and regional economy
- Current trends in manufacturing
- Forecasts

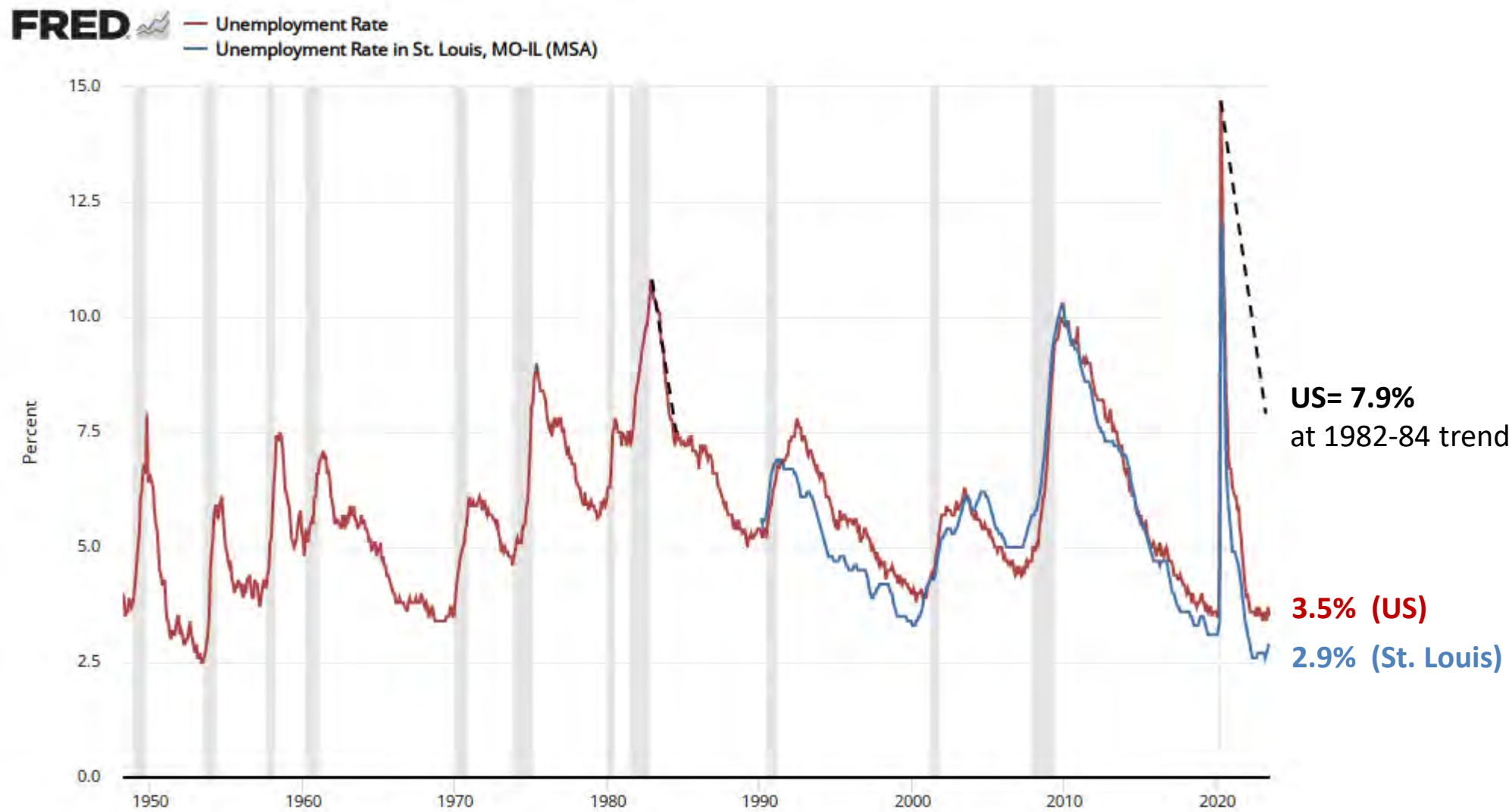
Output and employment in manufacturing have diverged



Sources: BLS; Board of Governors

myf.red/g/17FTQ

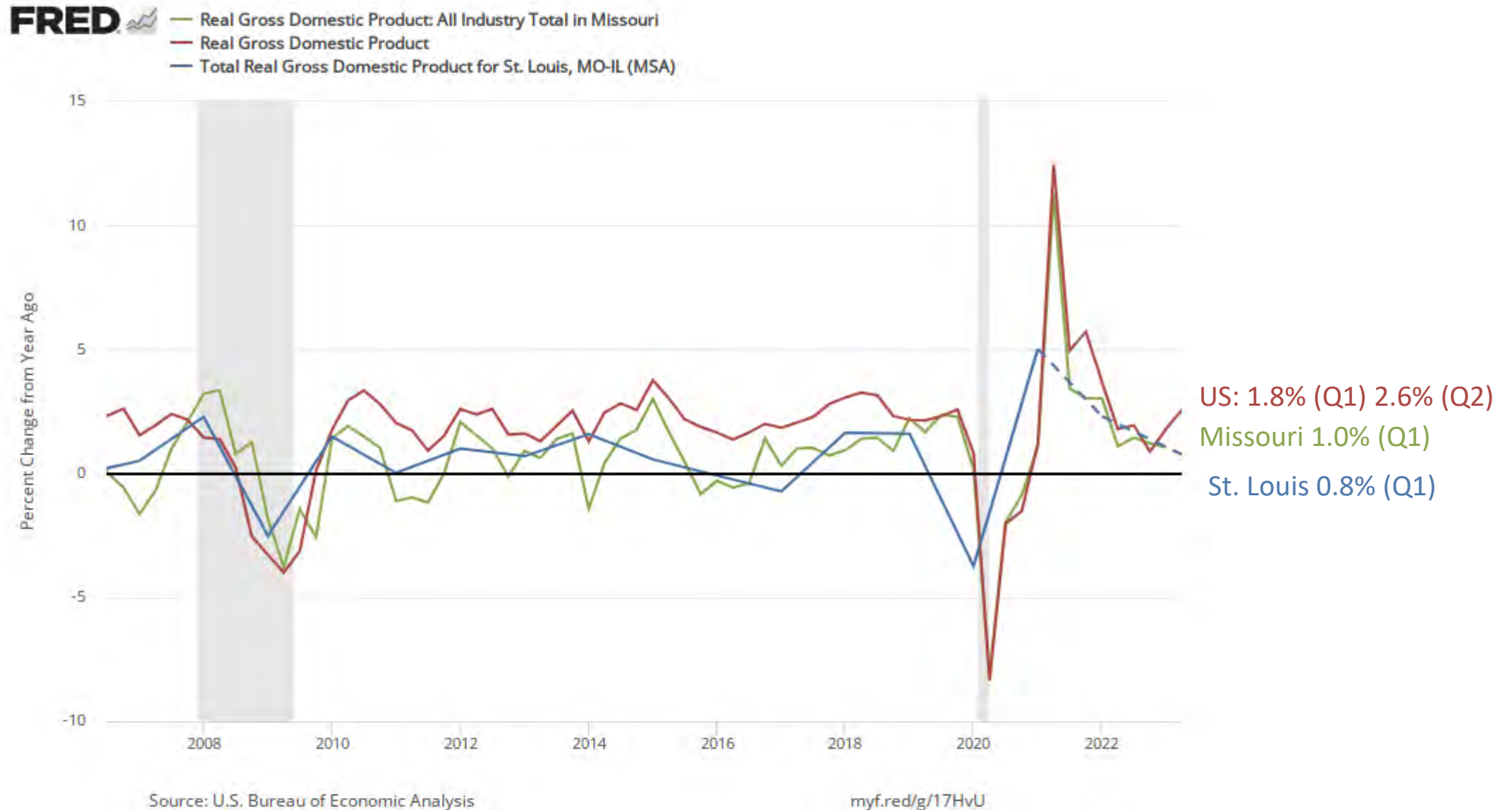
Economy experiences an unprecedented recovery after pandemic shock



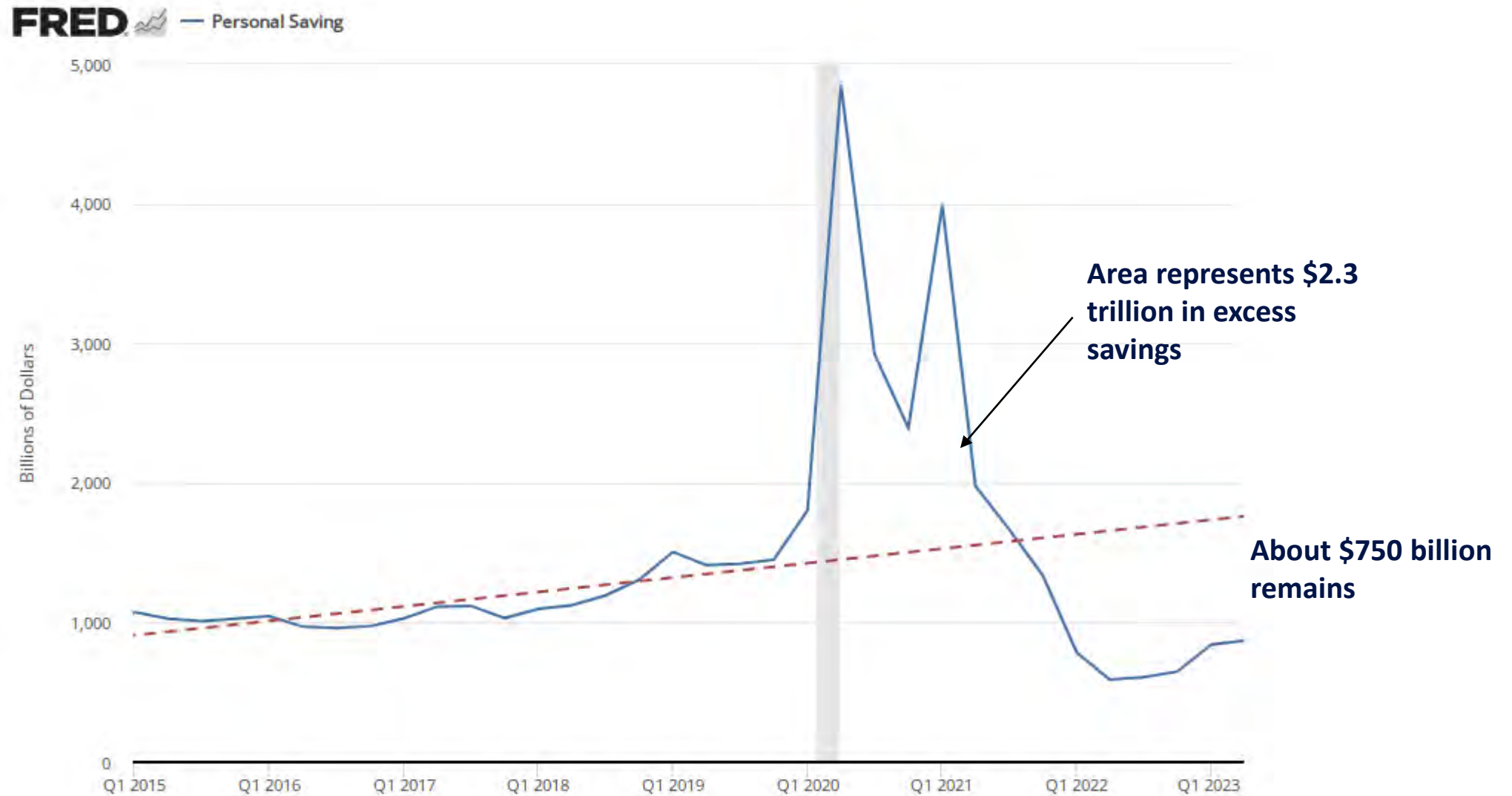
Source: U.S. Bureau of Labor Statistics

myf.red/g/17HnU

Economic growth has slowed significantly, near longer-run averages



Households accumulated significant savings during pandemic



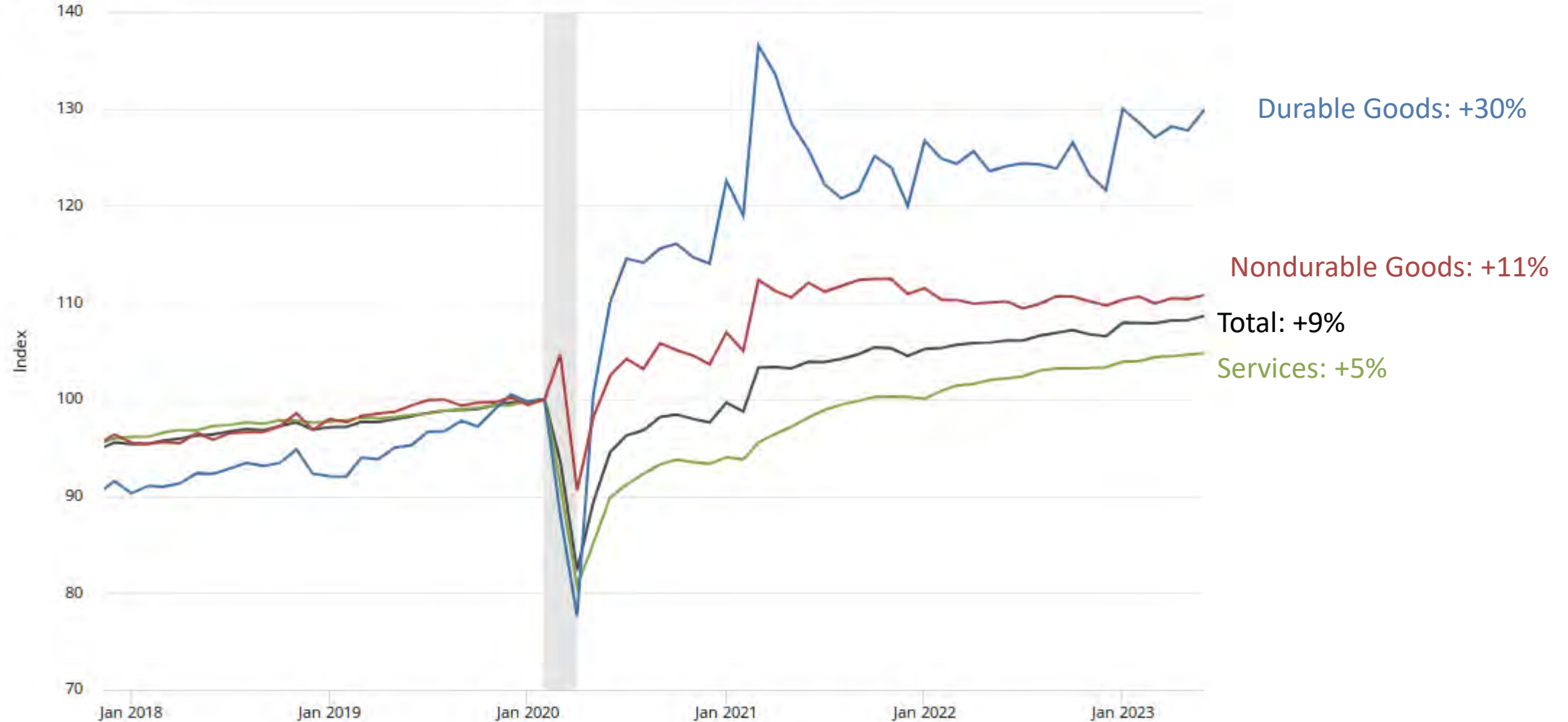
Source: U.S. Bureau of Economic Analysis

myf.red/g/171F6

Spending growth healthy, with pivot back to services



Real Personal Consumption Expenditures

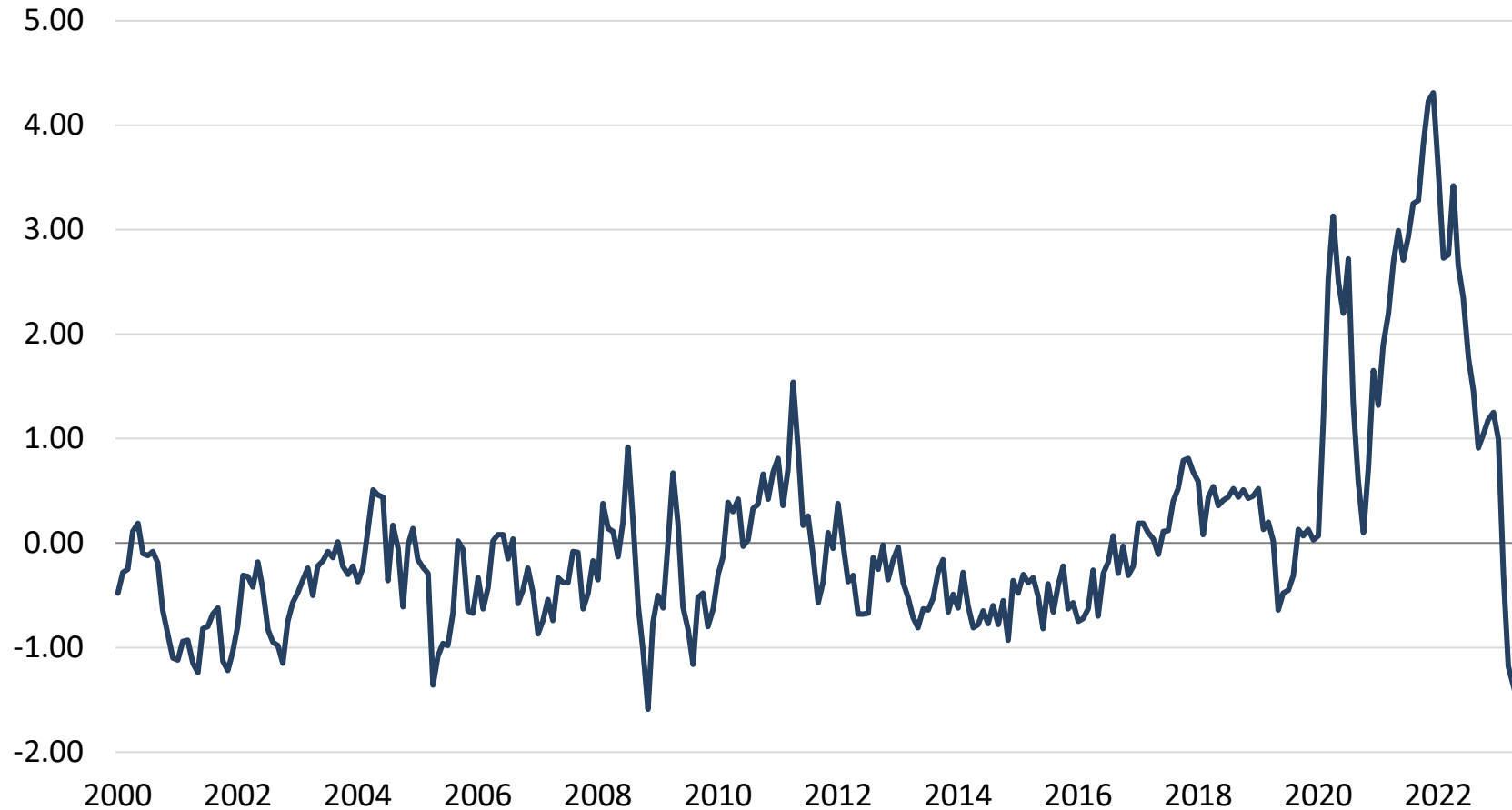


Source: U.S. Bureau of Economic Analysis

myf.red/g/17Hu2

Supply chains are returning to “normal” operations

FRBNY Global Supply Chain Pressure Index
Std. Dev. Pts

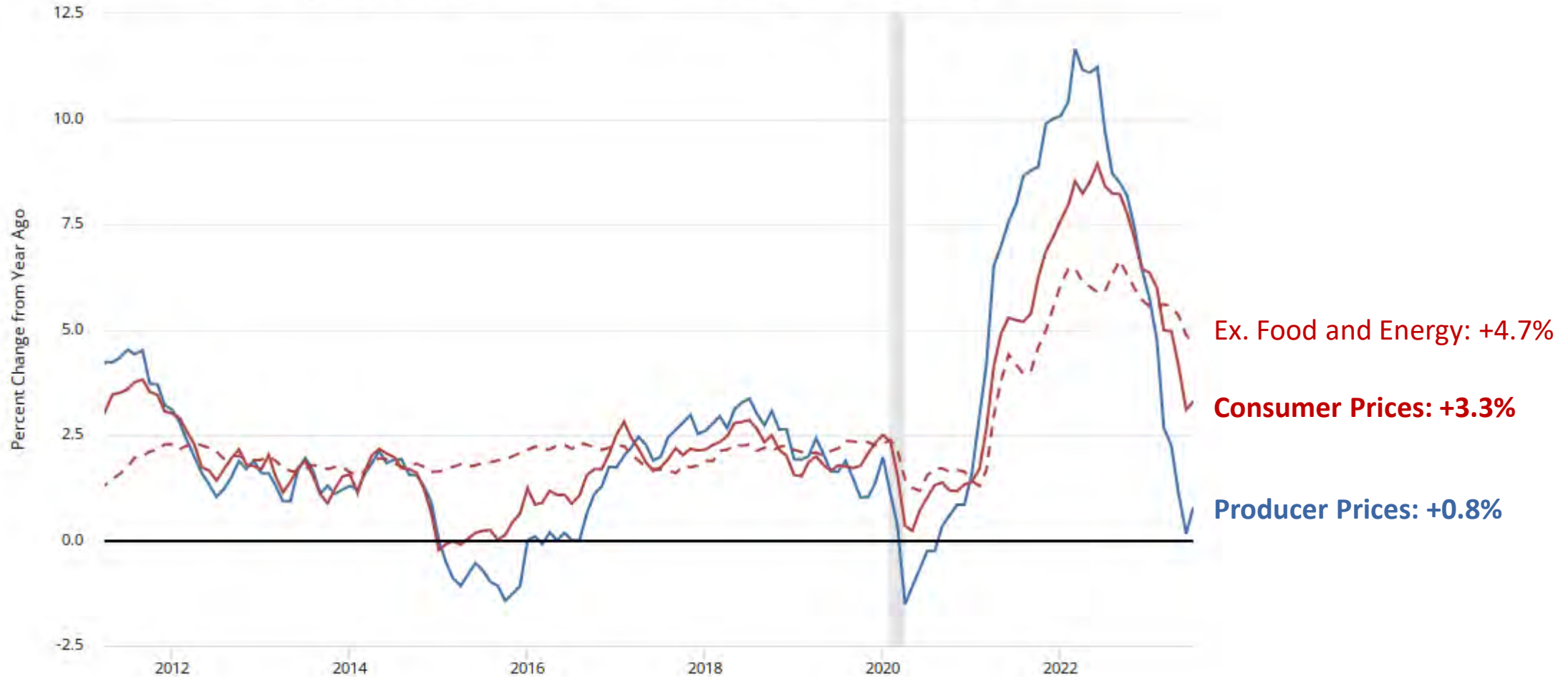


Source: Federal Reserve Bank of New York ([link to data](#))

Strong demand + constrained supply = high inflation

FRED

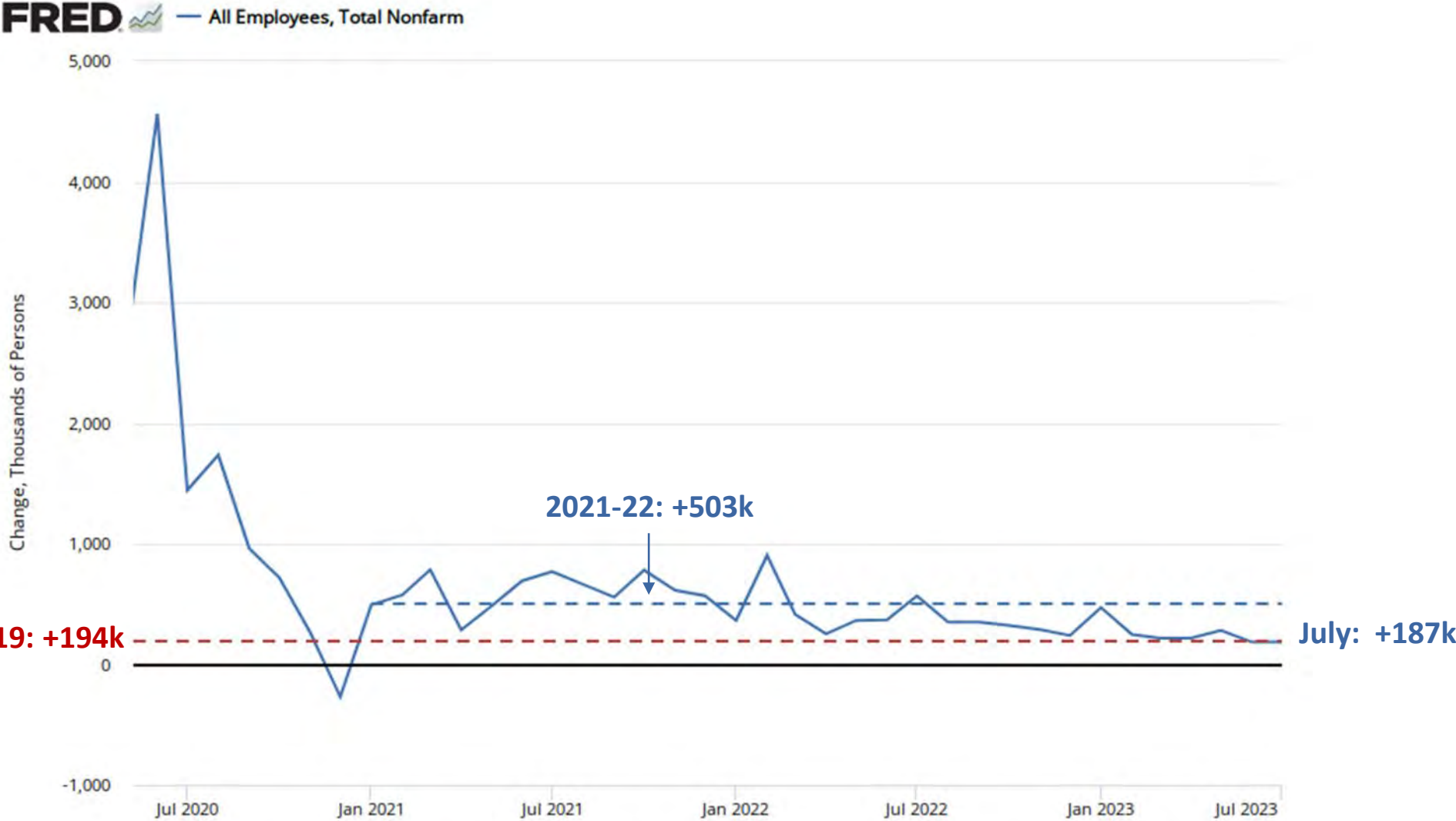
- Producer Price Index by Commodity: Final Demand
- Consumer Price Index for All Urban Consumers: All Items in U.S. City Average
- - Consumer Price Index for All Urban Consumers: All Items Less Food and Energy in U.S. City Average



Source: U.S. Bureau of Labor Statistics

myf.red/g/17QsT

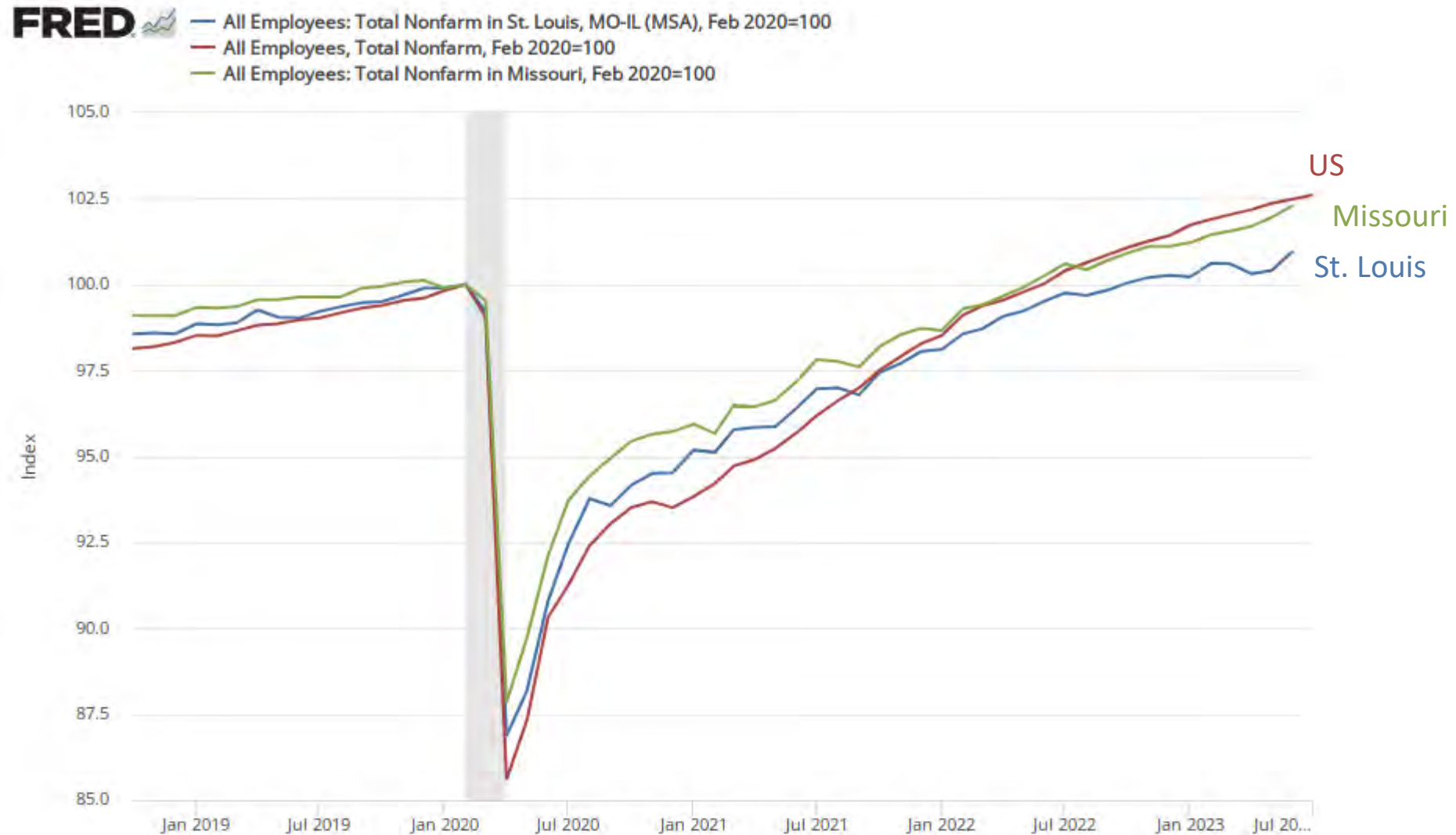
Job growth consistent with a healthy economy



Source: U.S. Bureau of Labor Statistics

myf.fred/g/17G4G

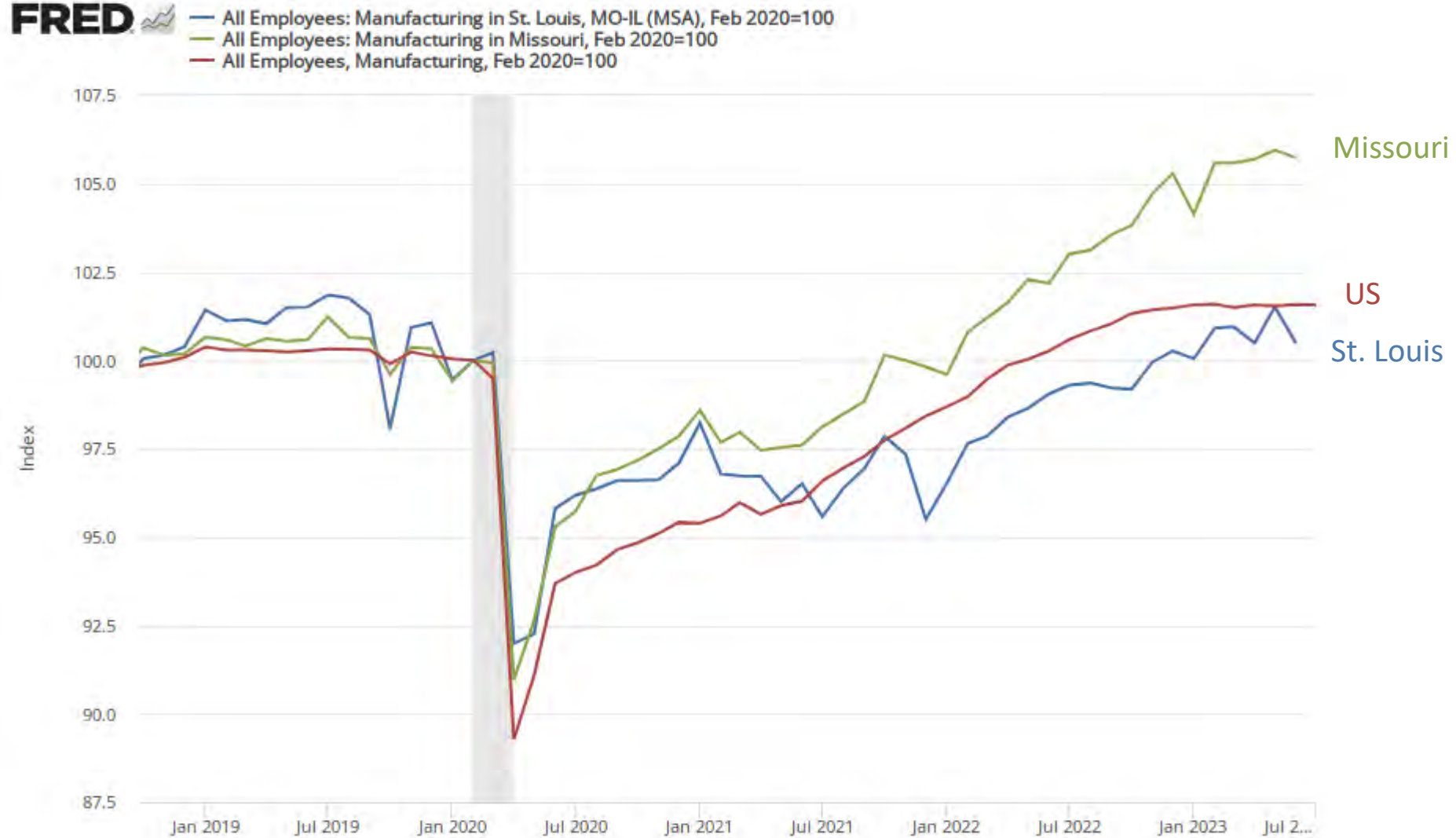
Smaller labor force inhibiting continued job growth in the region



Source: U.S. Bureau of Labor Statistics

myf.red/g/17FWA

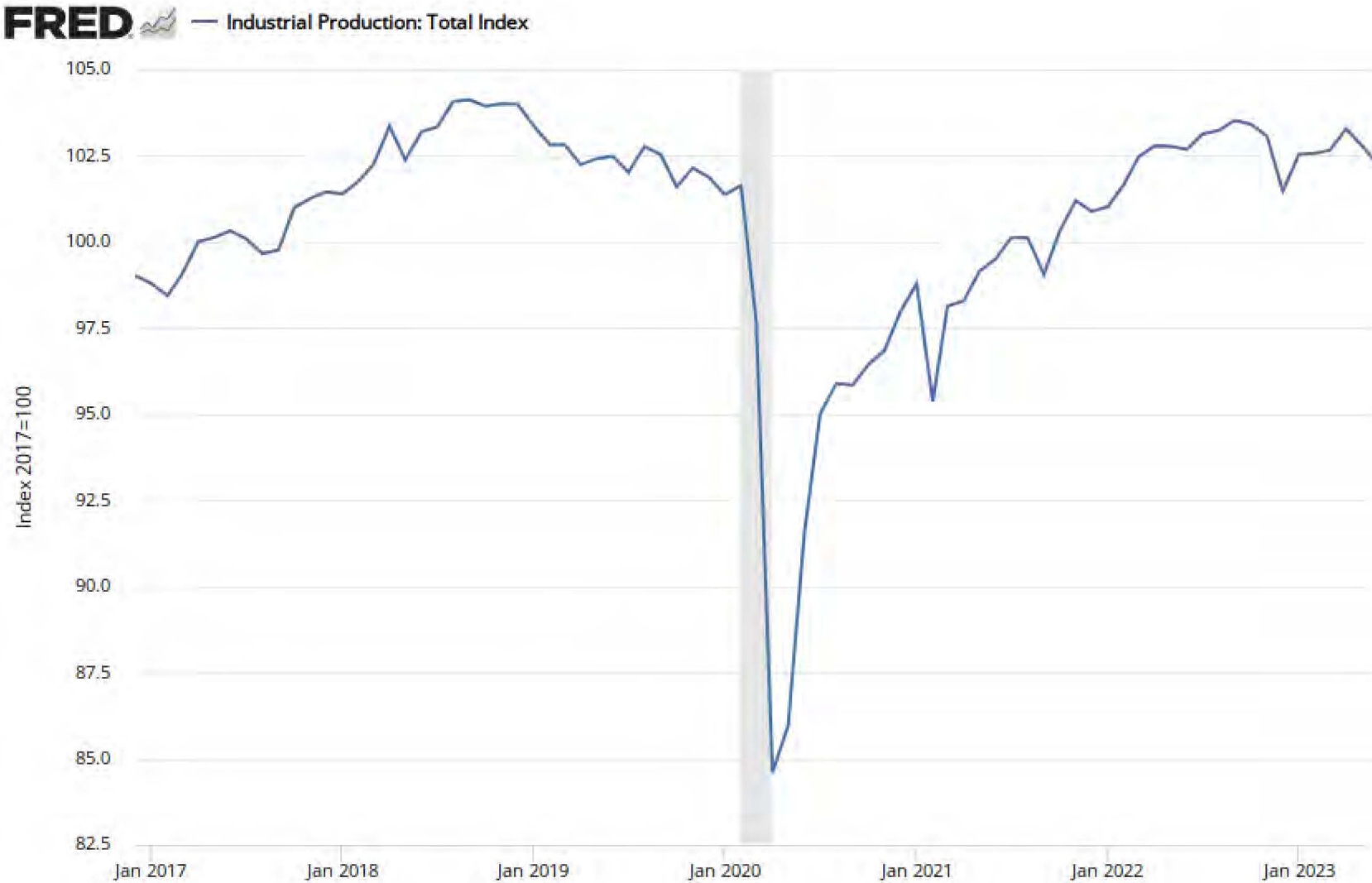
Manufacturers in St. Louis hiring at a slower rate than MO and US



Source: U.S. Bureau of Labor Statistics

myf.red/g/17HuH

Production slows as firms face weaker demand



Source: Board of Governors of the Federal Reserve System (US)

myf.red/g/179MX

Order backlog is helping firms maintain production levels

FRED 

Real Manufacturer's Unfilled Orders (deflated by PPI)



Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau

myf.red/g/17llx

Manufacturers new orders and shipments improved during the spring

FRED 



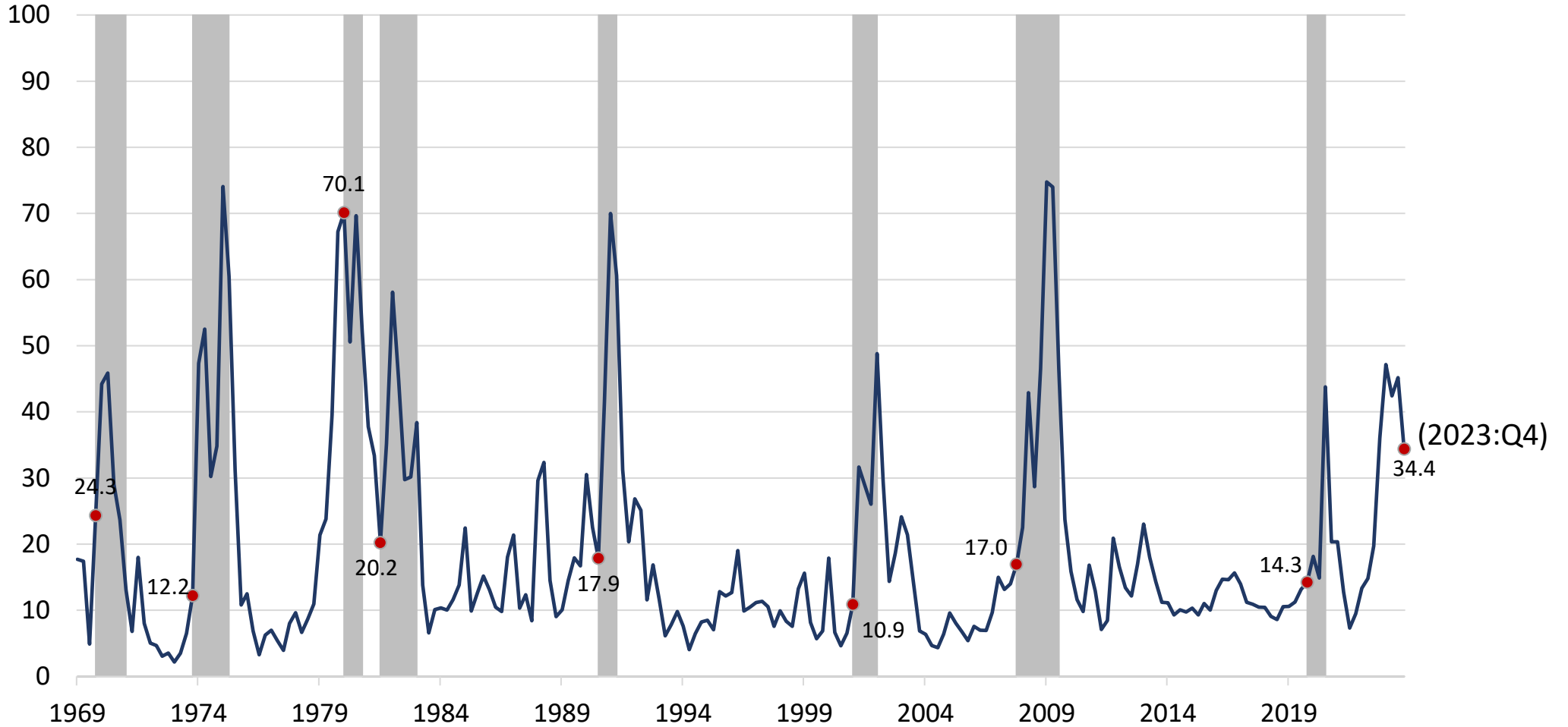
Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau

myf.red/g/17IHx

If recession occurs, it will be the one of the most anticipated in history

The Anxious Index

Probability of Decline in real GDP



Note: Shaded areas indicate NBER recessions

Source: Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters ([link to data](#))

FOMC Economic projections point to a “soft landing”

Projections for end of 2023	Real GDP Growth	Inflation Rate	Unemployment Rate	Fed Funds Rate
Median	1.0	3.2	4.1	5.6
Top	2.0	4.1	4.5	6.1
Bottom	0.5	2.9	3.9	5.1
<i>My projections for the St. Louis, MSA</i>	<i>0.3</i>	<i>3.0</i>	<i>3.5</i>	<i>--</i>

Note: Projections are under the assumption of appropriate monetary policy. Real GDP, PCE Inflation are Q4/Q4 Growth, Unemployment and Fed Funds are Q4 Averages
 Parentheses Indicate change from May Projections
 Source: Federal Open Market Committee (FOMC) Summary of Economic Projections June 2023. [See Macro Snapshot for Data](#)

Summary

- Data indicate the economy continued to expand through July
- Economic outlook started the year very dim and has been brightening throughout the year
- The forecast is for slower growth ahead, which should lead to lower inflation and slower job growth
- Weakness in manufacturing and construction a driving force of recession predictions
- Reasons for pessimism
 - Inflation remains elevated and more persistent, pushing interest rates higher
 - Tightening credit conditions reigns in household and business investment
- Reasons for optimism
 - Housing market has bottomed out and showing signs of improvement
 - Labor constraints easing, higher participation rates and recovering immigration
 - Low unemployment and healthy wage growth sustain consumer spending



2023 STATE OF THE ST. LOUIS

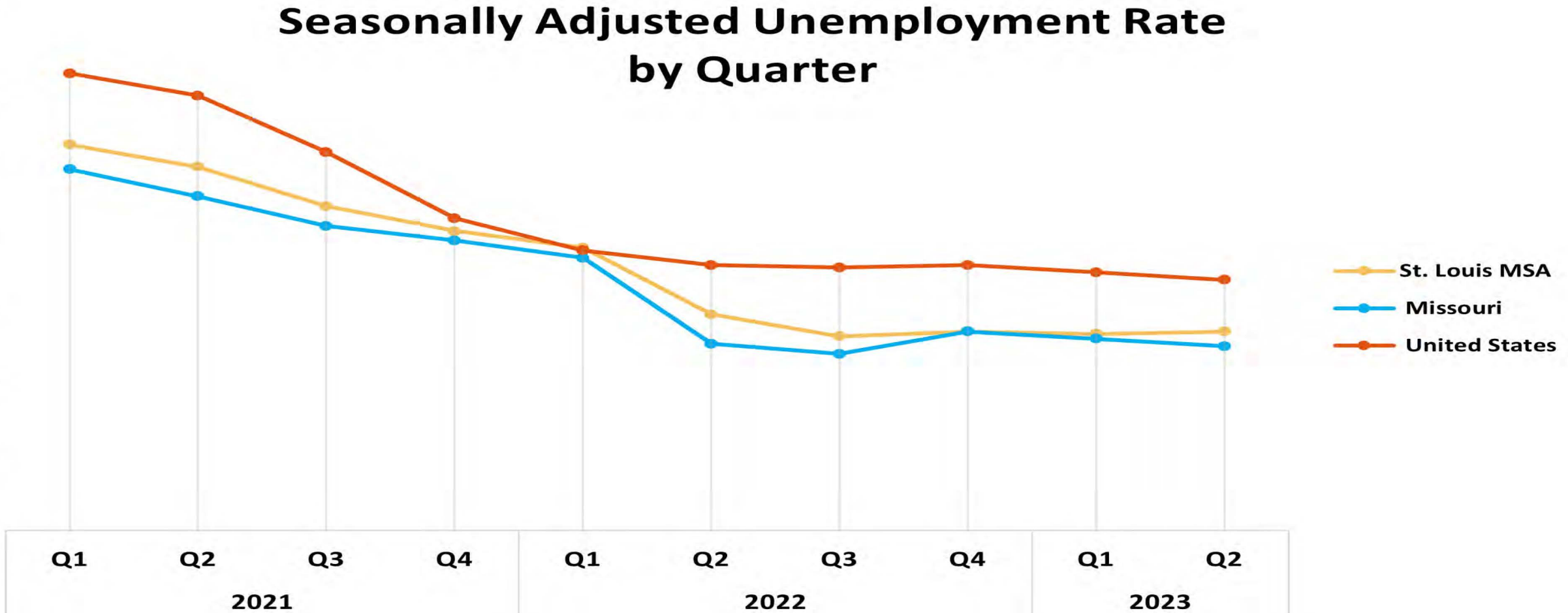
WORKFORCE

stlcc.edu/STLworkforce

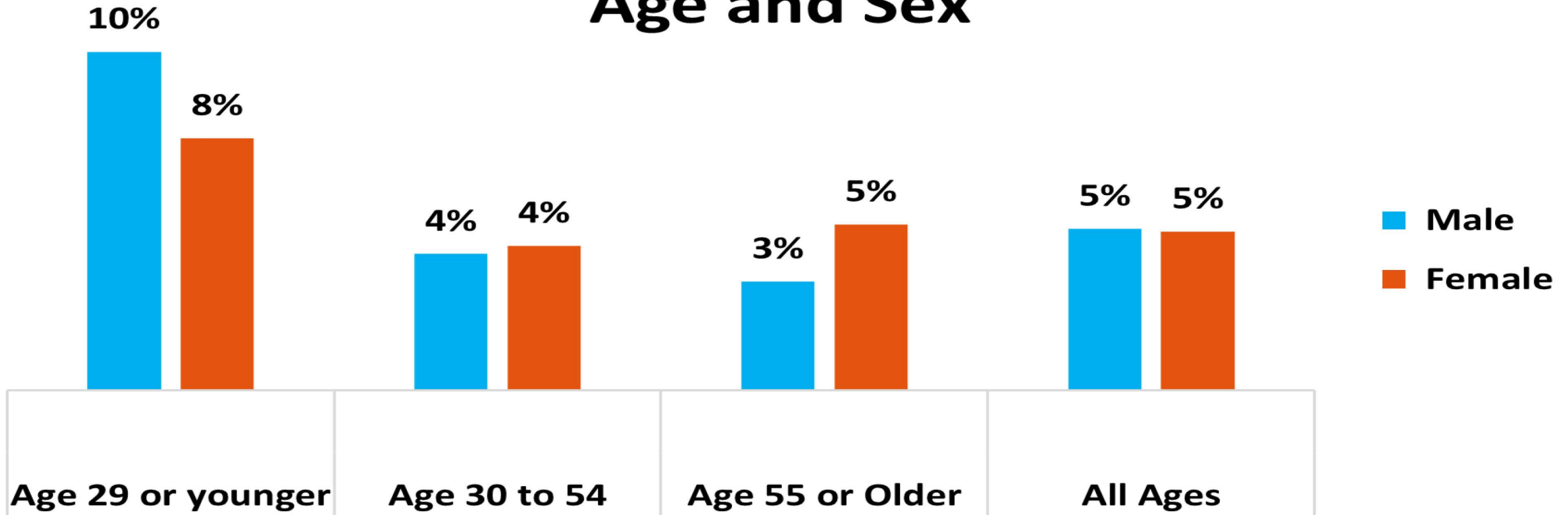


- **St. Louis Economy**
- **Employer Survey**
- **Spotlight on Startups and Job Creation**
- **Spotlight on Advanced Manufacturing**

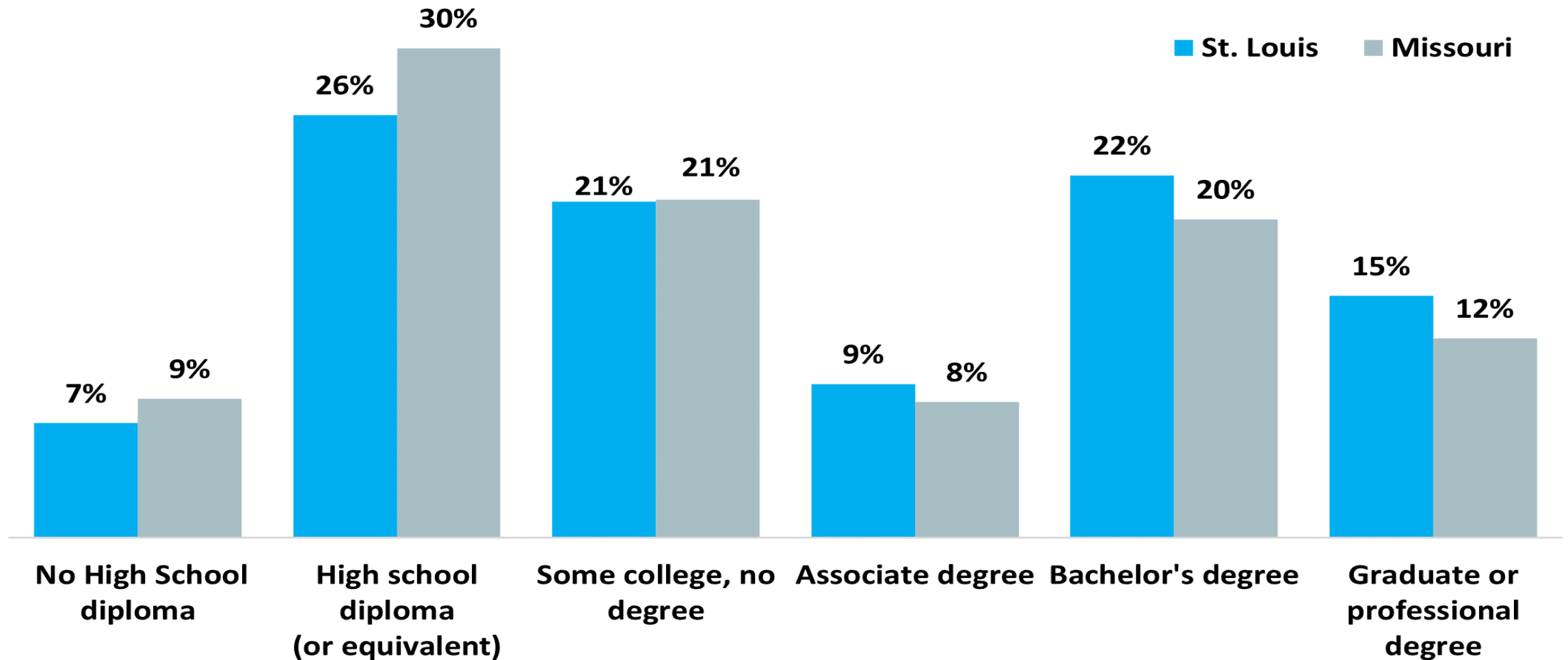
Seasonally Adjusted Unemployment Rate by Quarter



St. Louis MSA Unemployment Rates by Age and Sex



Educational Attainment of the Population*



Education Pays

Education affects both earning and unemployment

Biggest salary jump with 4-year degree

Education post-HS provides stability

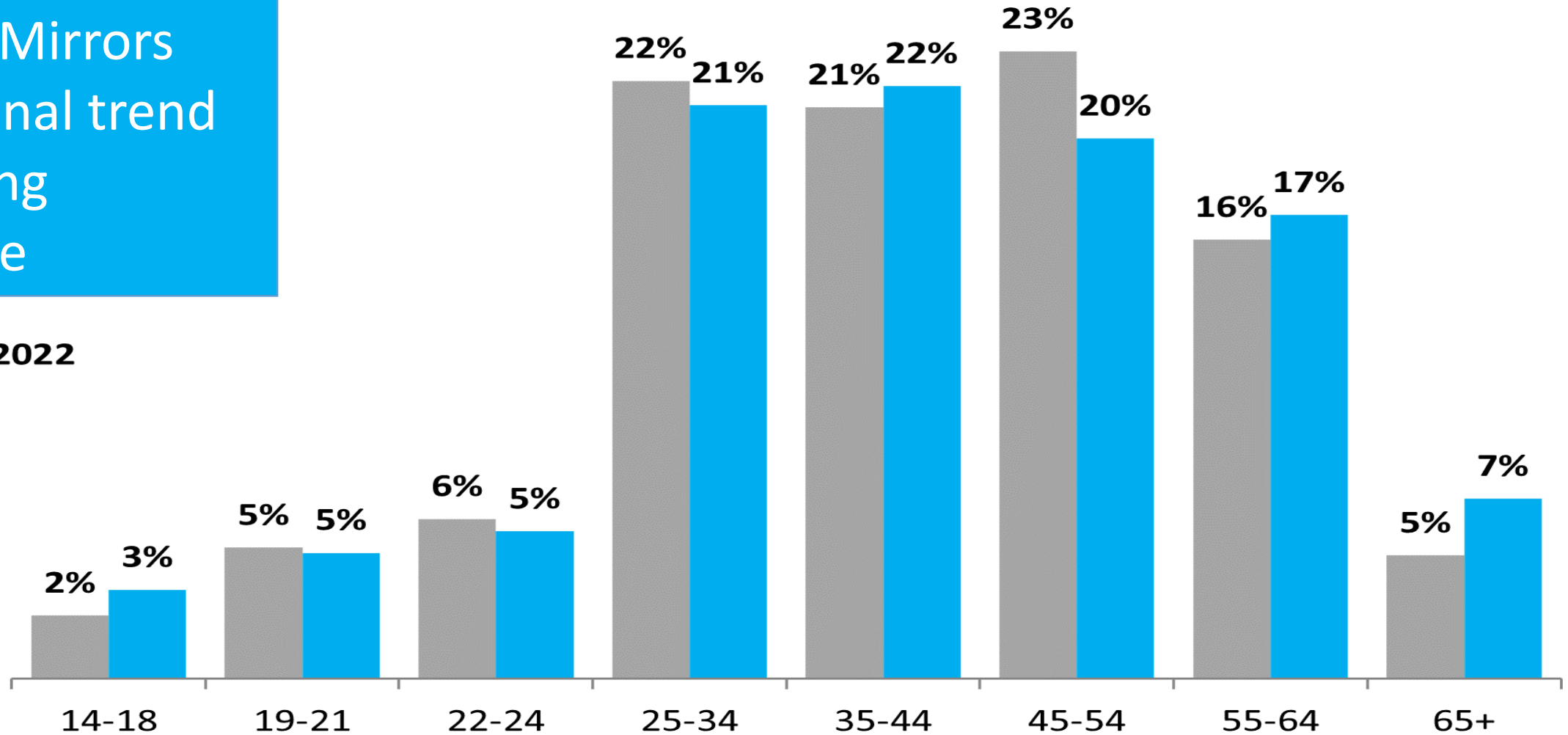
	Unemployment Rates	Educational Attainment	Median Earnings
Missouri	9.0%	Less than high school graduate	\$26,315
	5.9%	High school graduate (includes equivalency)	\$33,899
	4.2%	Some college or associate's degree	\$39,481
	2.0%	Bachelor's degree or higher	\$59,668
St. Louis MSA	12.4%	Less than high school graduate	\$27,173
	6.1%	High school graduate (includes equivalency)	\$35,603
	4.8%	Some college or associate's degree	\$41,259
	2.1%	Bachelor's degree or higher	\$67,803

**Bachelors (\$53,855) and Graduate (\$65,480) degree medians
Source: US Census Bureau, 2021 American Community Survey 1-year estimates.*

St. Louis MSA Age of the Workforce

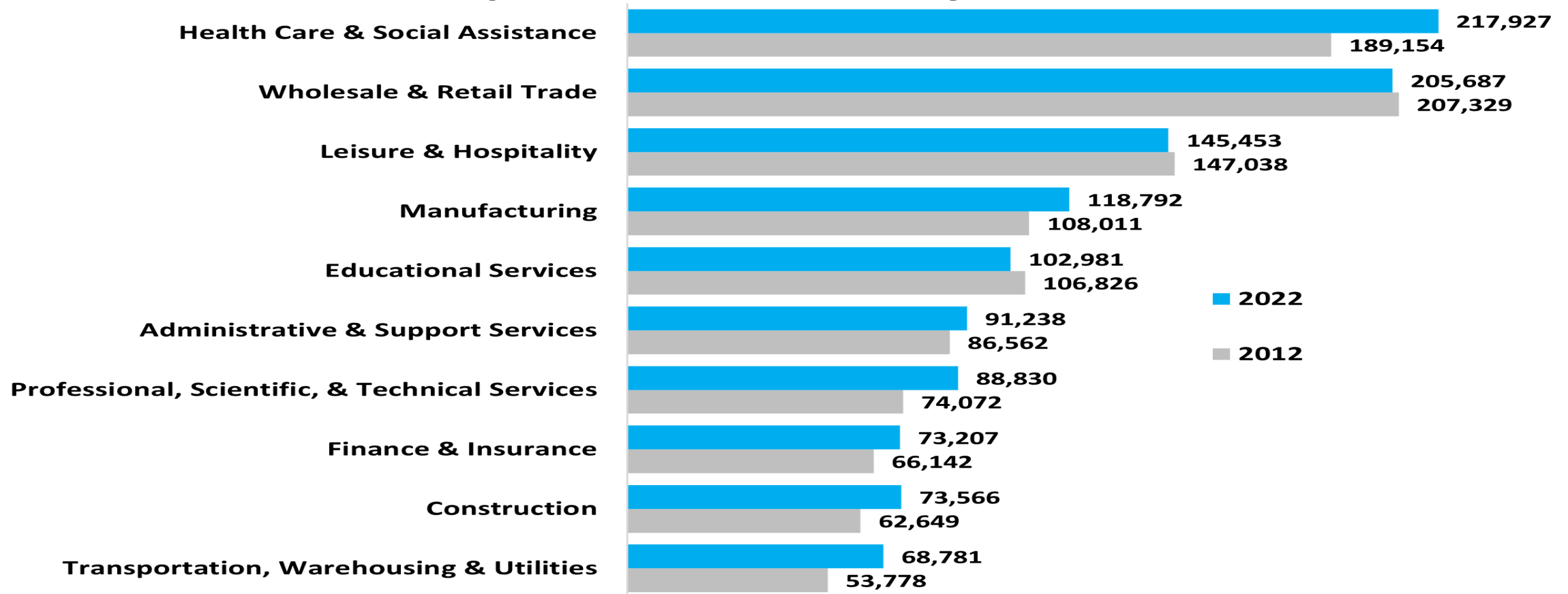
St. Louis Mirrors the national trend of an aging workforce

■ 2012 ■ 2022



15% growth in healthcare in the last decade

Top 10 St. Louis Industry Clusters



**Live interview
survey of
St. Louis MSA
employers**

**Each interview
takes about
20 minutes**

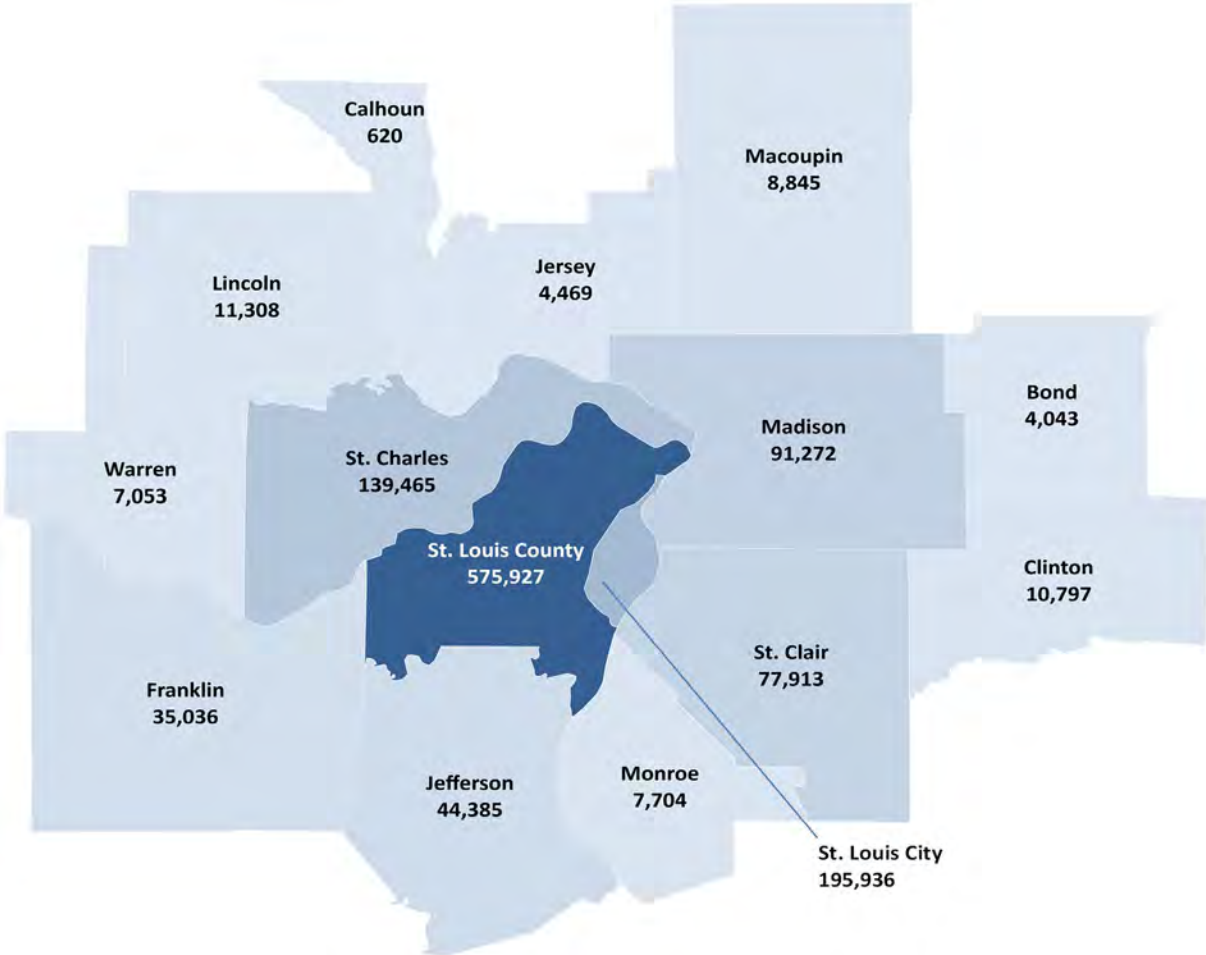


Employer Survey

2023 State of the St. Louis Workforce Employer Survey

NAICS	Category Description	Businesses Surveyed	Percent
NAICS 23	Construction	35	5.8%
NAICS 31-33	Manufacturing	29	4.8%
NAICS 42	Wholesale trade	29	4.8%
NAICS 44-45	Retail trade	88	14.7%
NAICS 48-49	Transportation and warehousing	12	2.0%
NAICS 51	Information	17	2.8%
NAICS 52	Finance and insurance	34	5.7%
NAICS 53	Real estate and rental and leasing	21	3.5%
NAICS 54	Professional and technical services	65	10.8%
NAICS 56	Administrative and waste services	25	4.2%
NAICS 61	Educational services	6	1.0%
NAICS 62	Health care and social assistance	95	15.8%
NAICS 71	Arts, entertainment, and recreation	15	2.5%
NAICS 72	Accommodation and food services	64	10.7%
NAICS 81	Other services	59	9.8%
	Other small sectors and unclassified*	6	1.0%
	Total	600	100.00%

St. Louis MSA Job Count by County

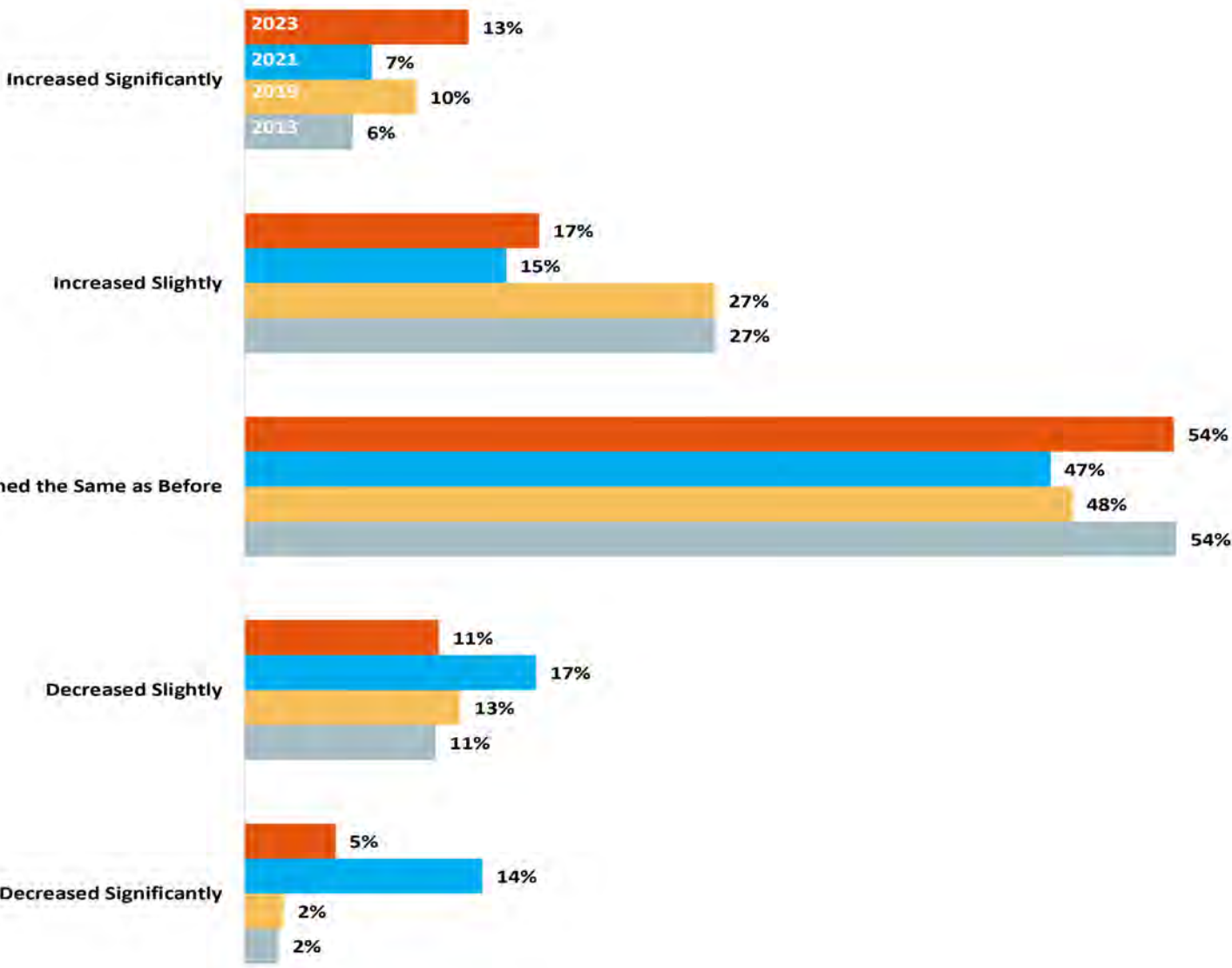


Employment Impacts

Change in Employment Levels over the Last 12 Months

Nearly 30% of companies hired employees in the last 12 months

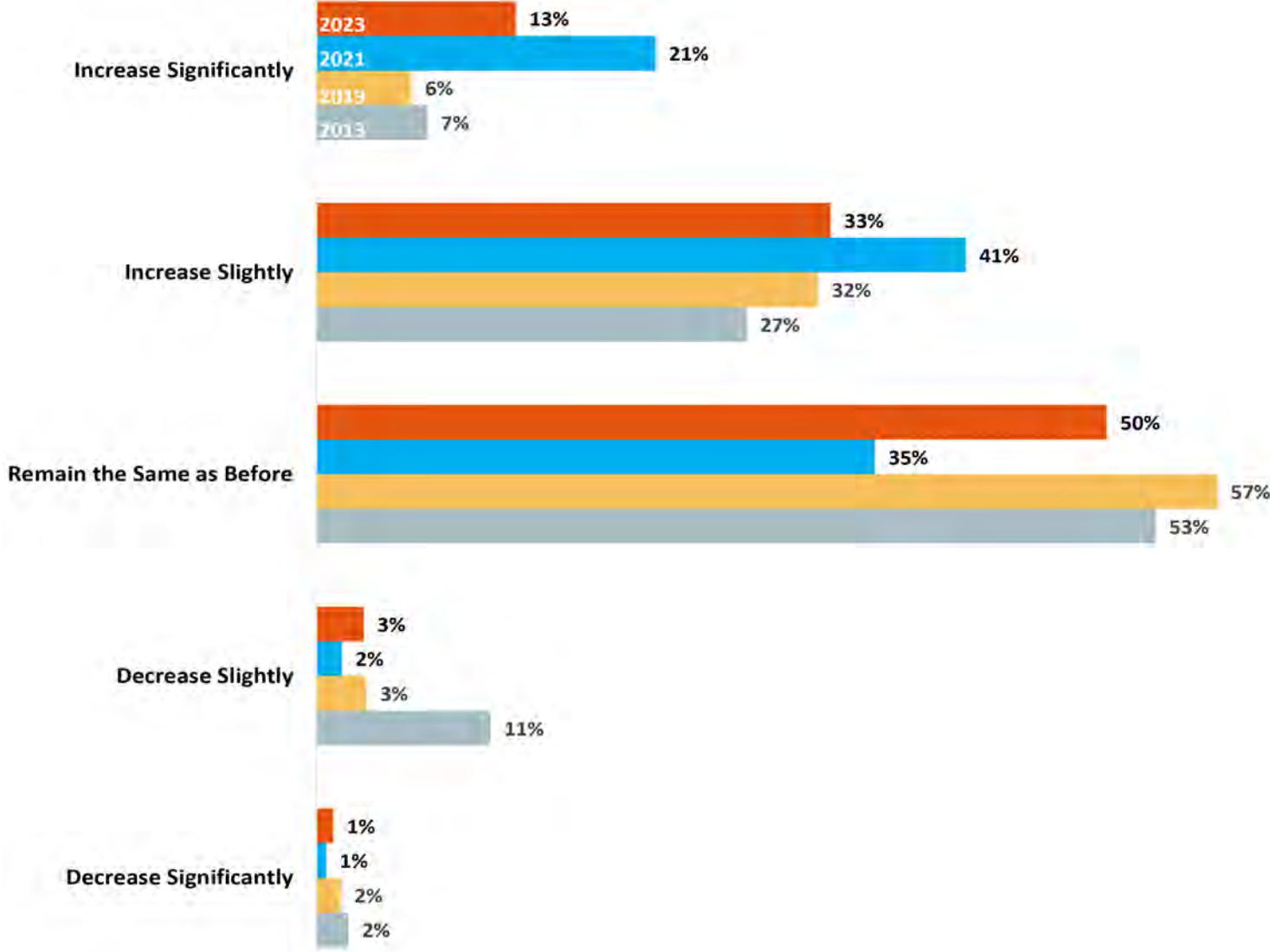
16% cut employees



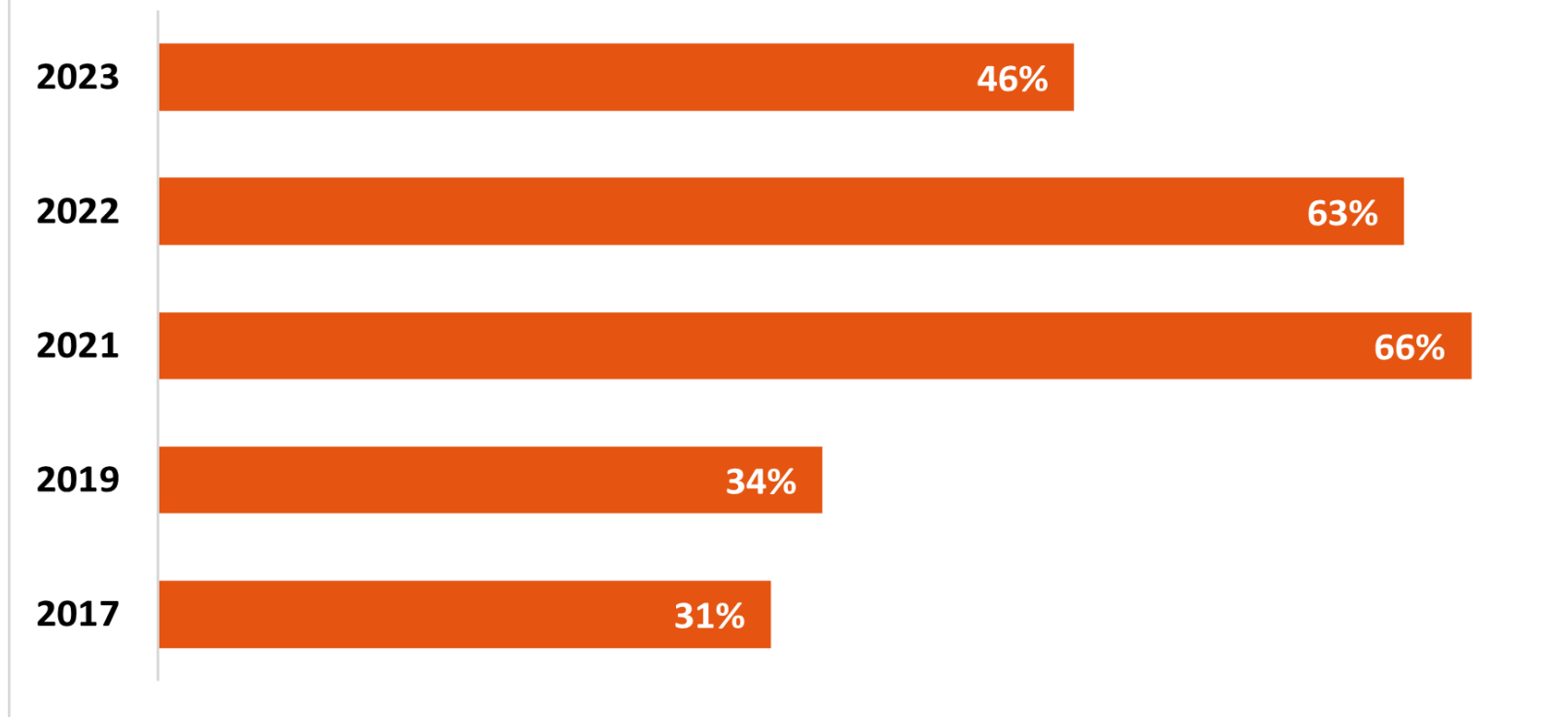
Employment Optimism

Future Plans to Change Employment Levels in the Next 12 Months

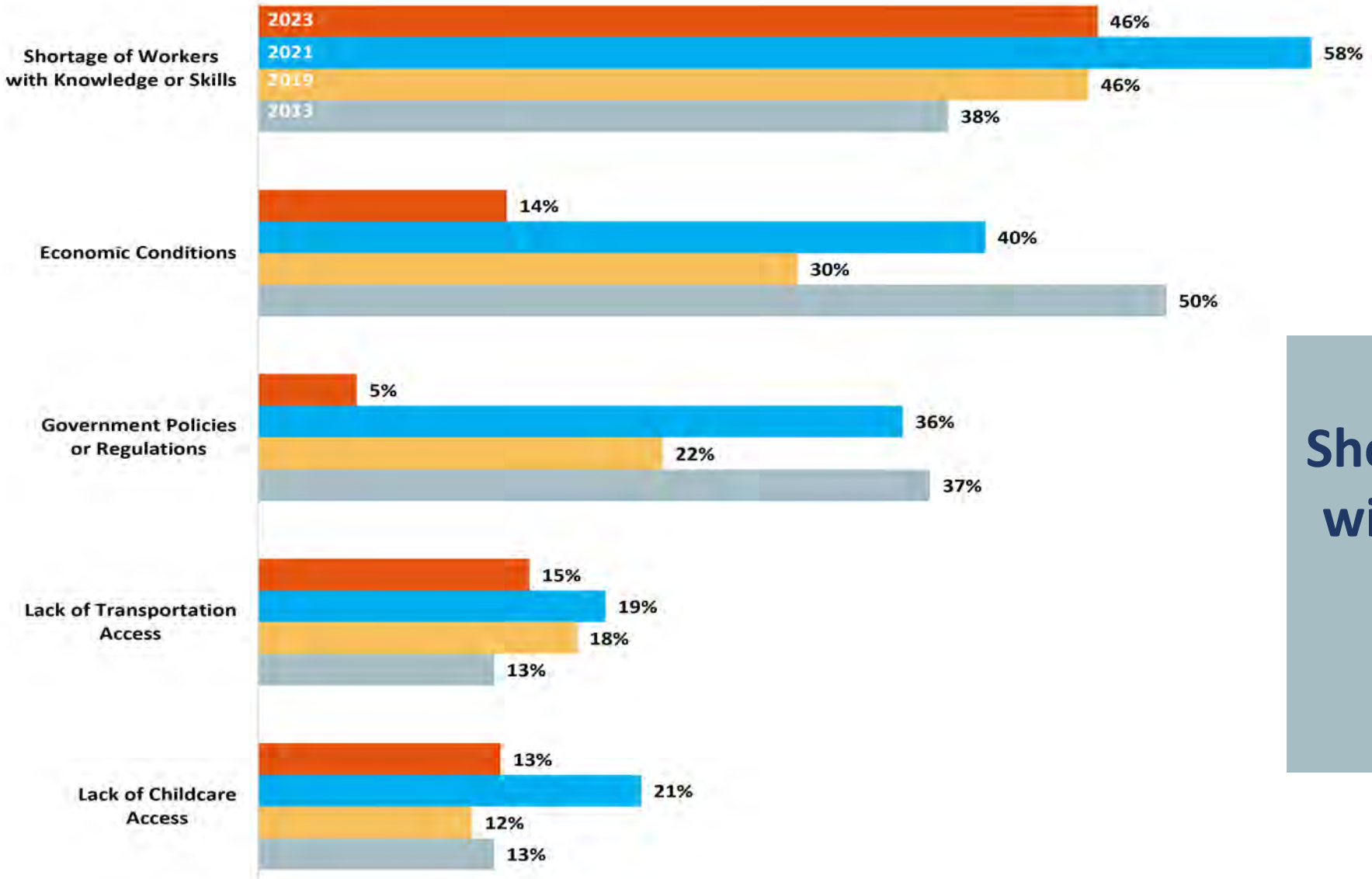
46% plan to hire in the next 12 months



Businesses Experiencing a Shortage of Skilled Applicants

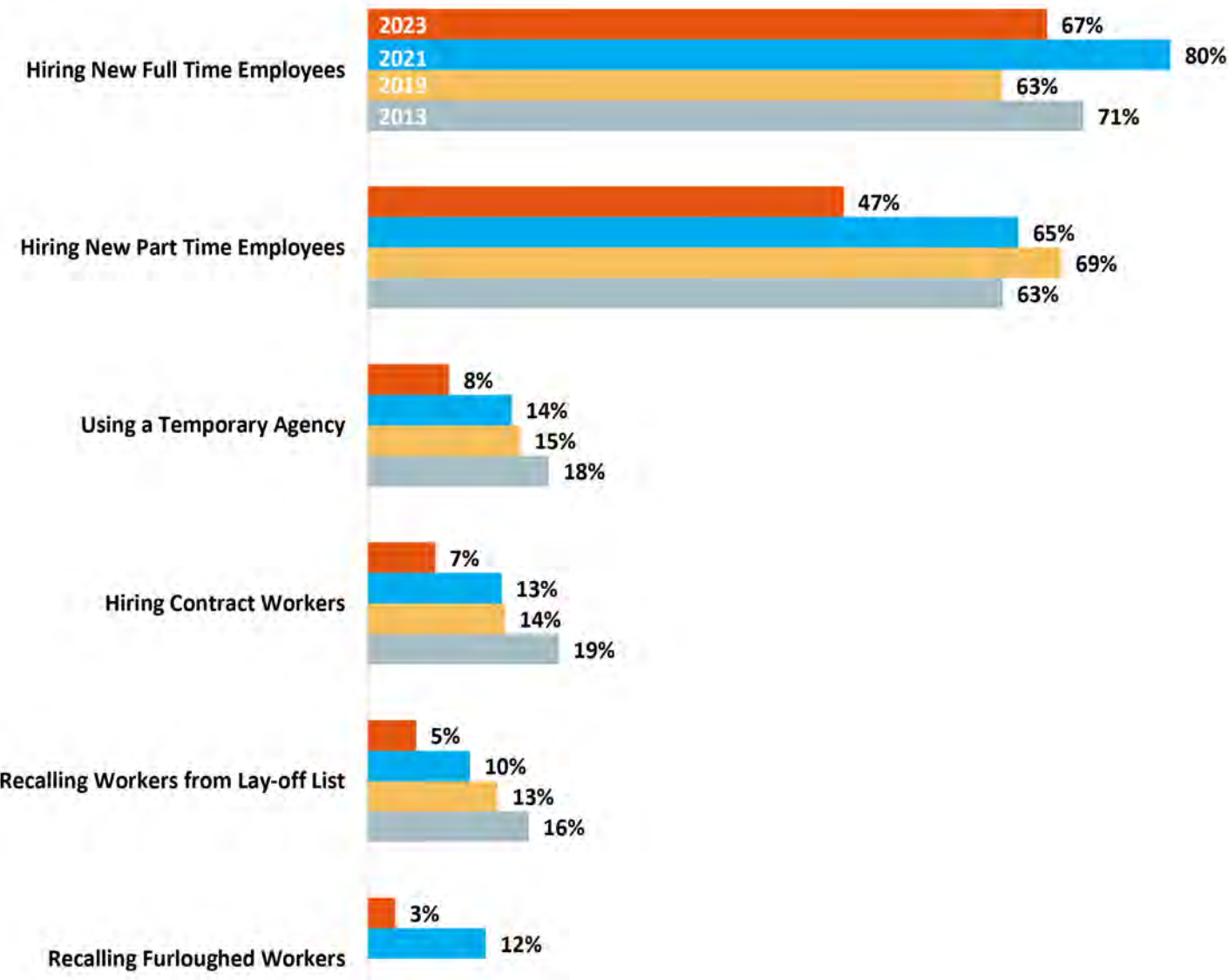


Barriers to Growth



Shortage of workers with knowledge or skills still # 1

Adding Workers



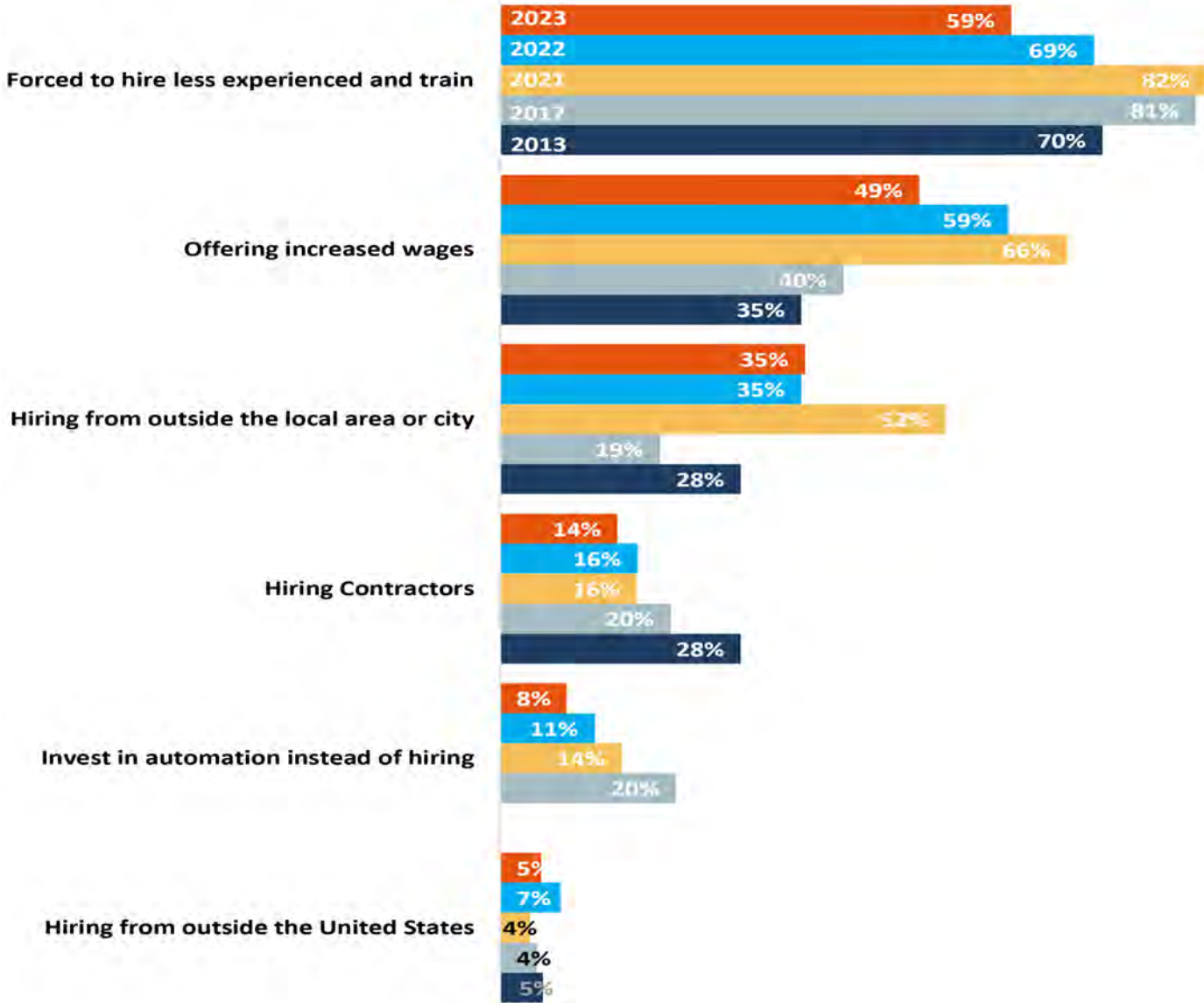
67% plan to hire new full-time employees

WORKFORCE

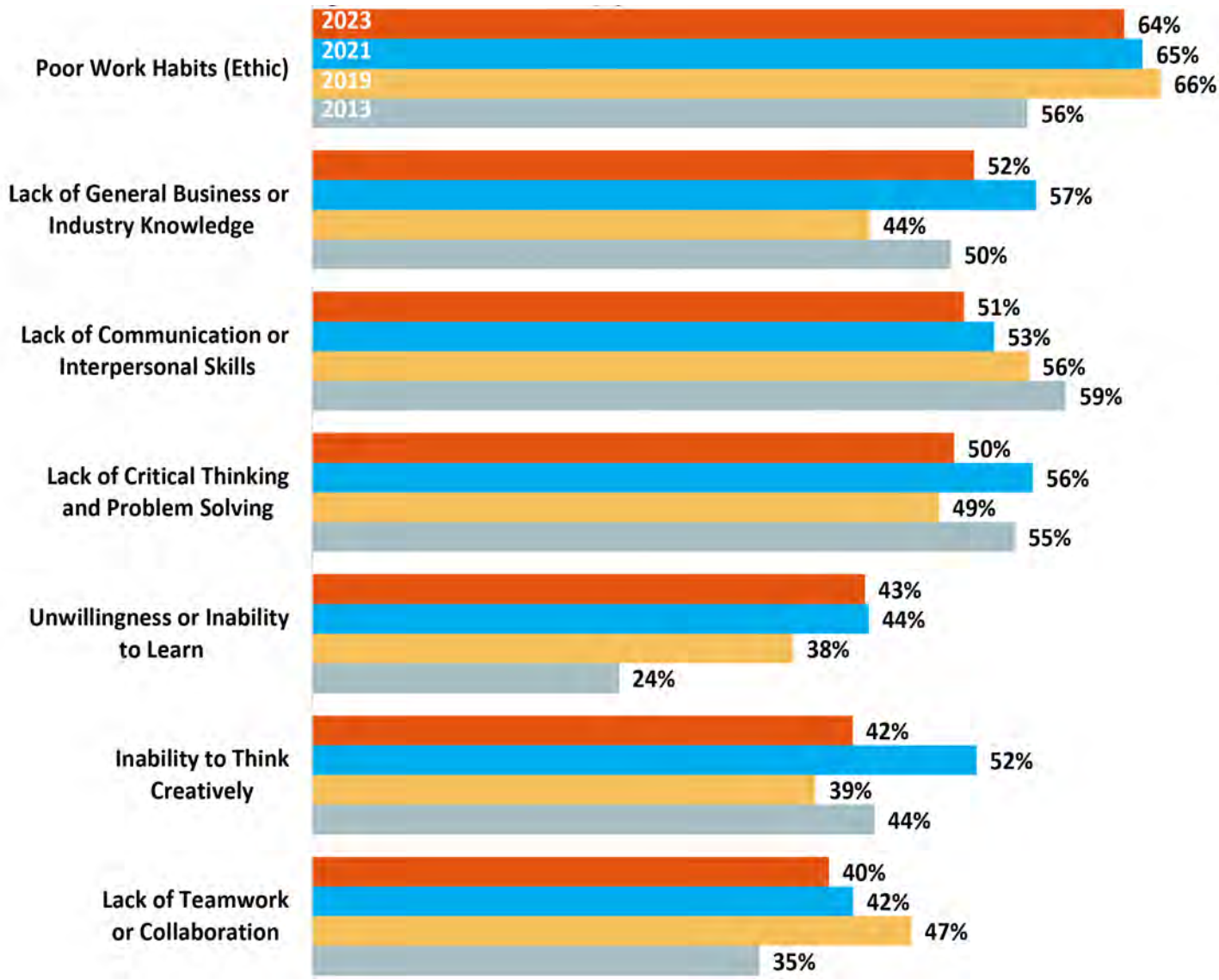
Measures Taken to Address Skill Shortages

59% of companies forced to hire less experienced workers and train

49% are offering increased wages



Shortcomings Seen in Job Applicants

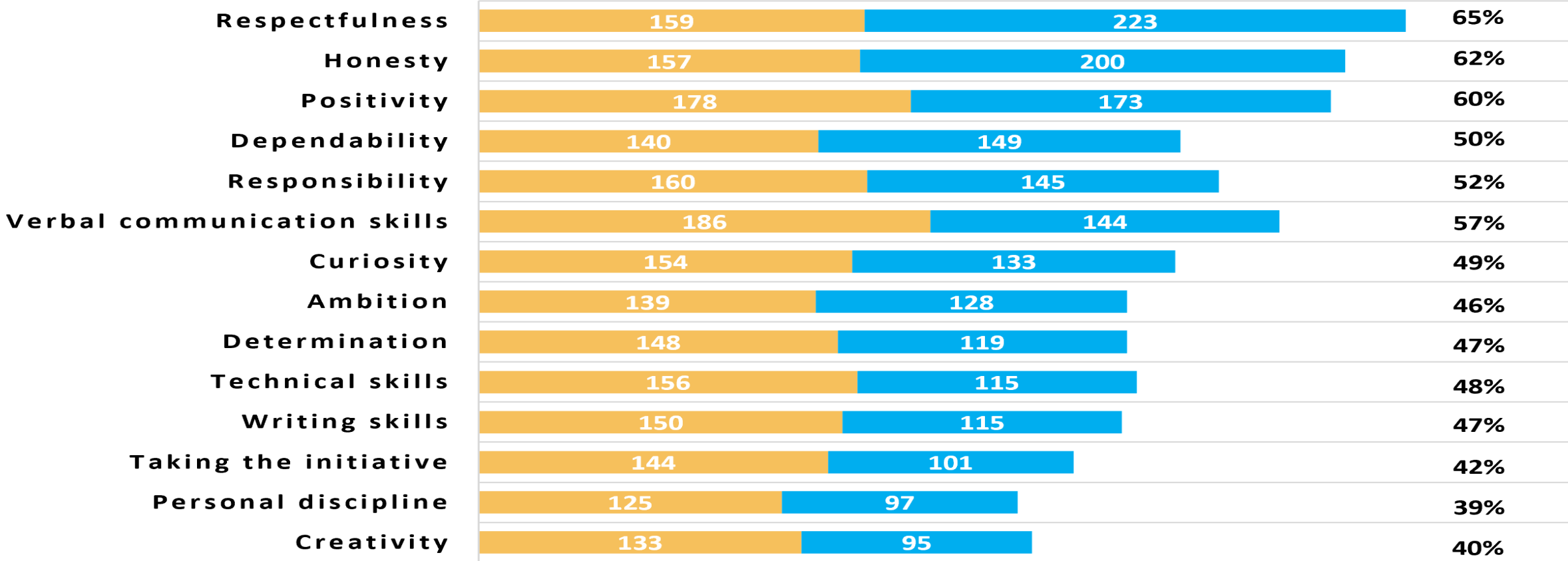


Poor work habits
still #1

Strengths Seen in Job Applicants

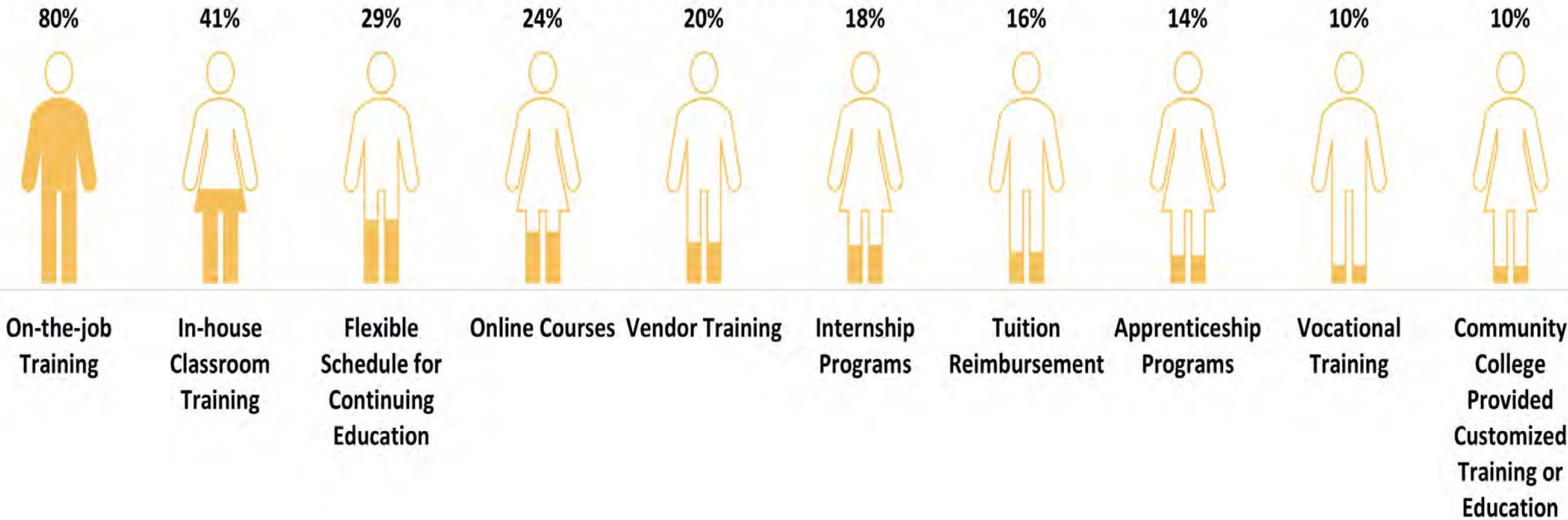
Strengths Seen in More Job Applicants

4- Saw in many 5 - Saw in all



Methods for New or Increased Skill Acquisition

Methods for New or Increased Skill Acquisition



Educational Skill Levels

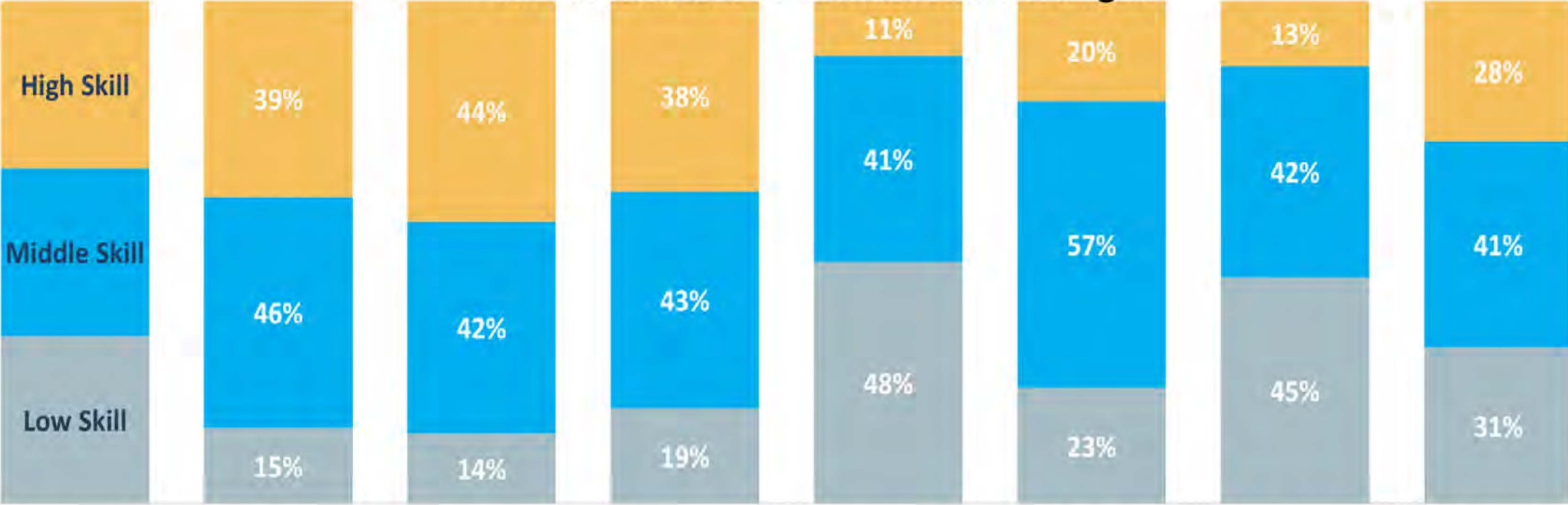
High-skill
requiring a four-year degree or higher

Middle-skill
requiring a training or education beyond a high school diploma
but less than a four-year degree

Low-skill
requiring a high school diploma or less

Skill Shortages by Business Functional Areas

Skill Levels Needed to Meet Skill Shortages



Skill Levels Legend

Business Management

Accounting/ Finance

Information Technology

Customer Service

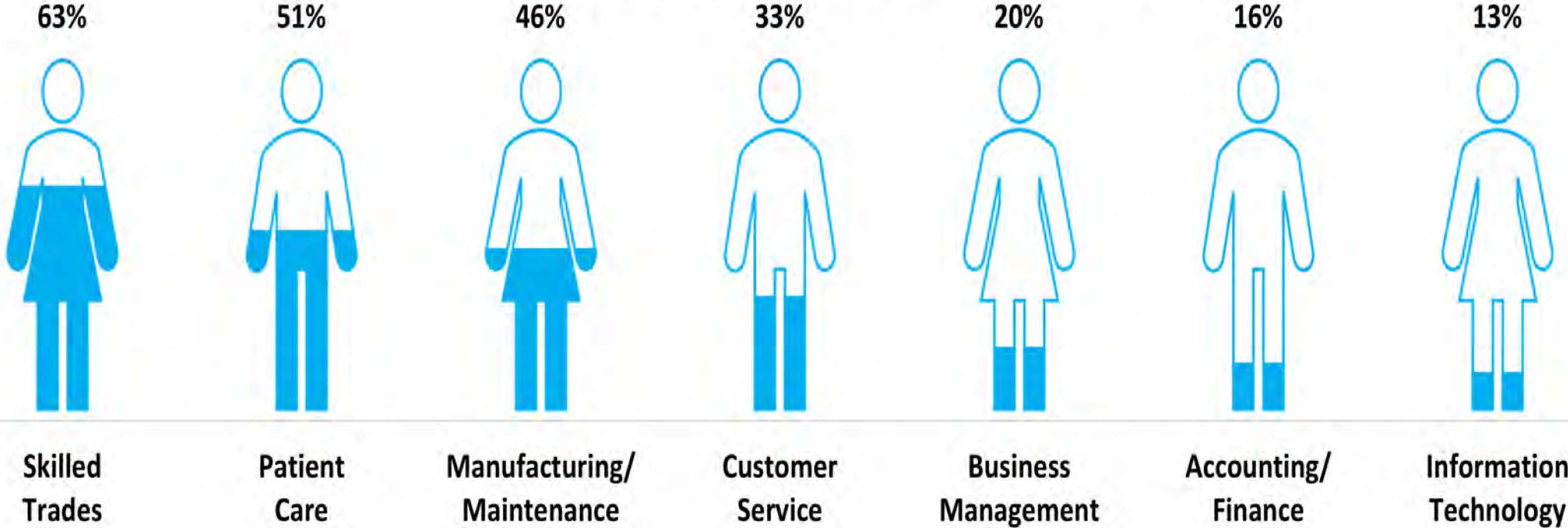
Skilled Trades

Manufacturing/ Maintenance

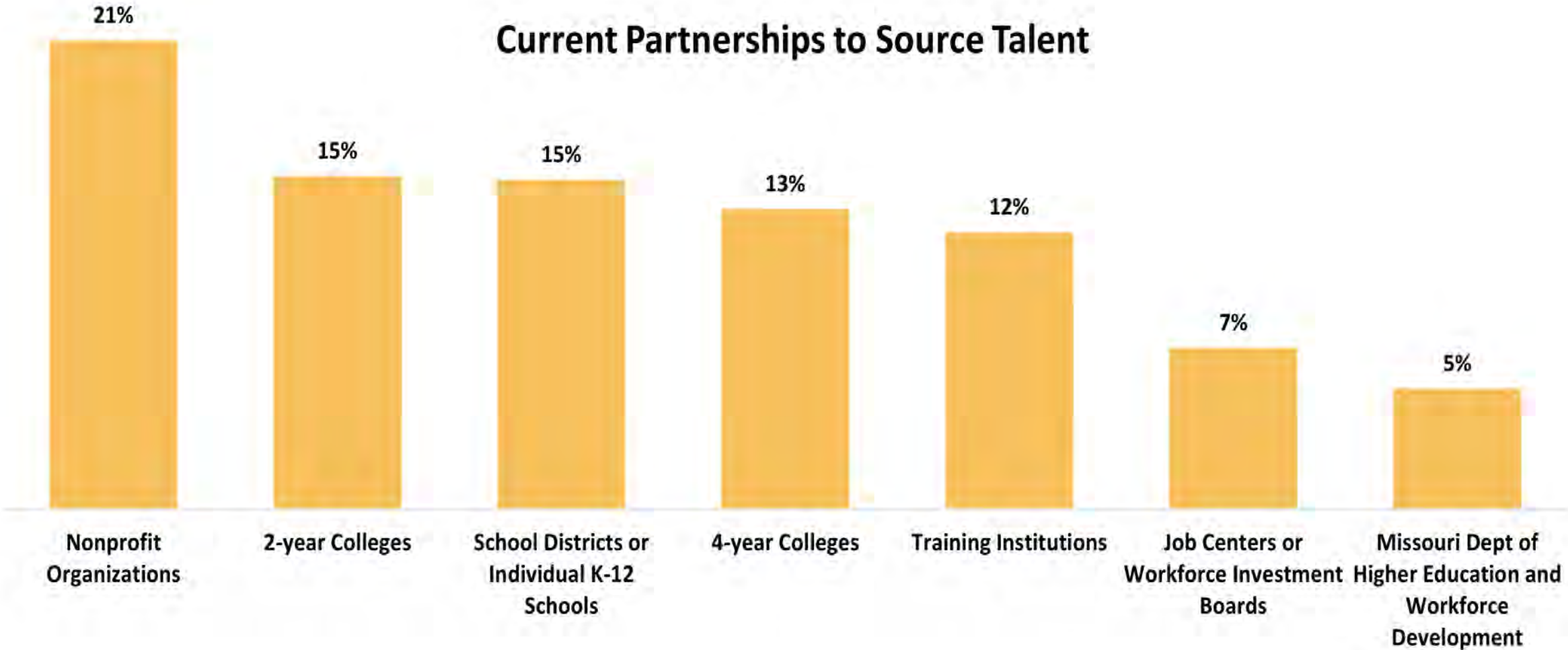
Patient Care

Skill Shortages by Business Functional Areas

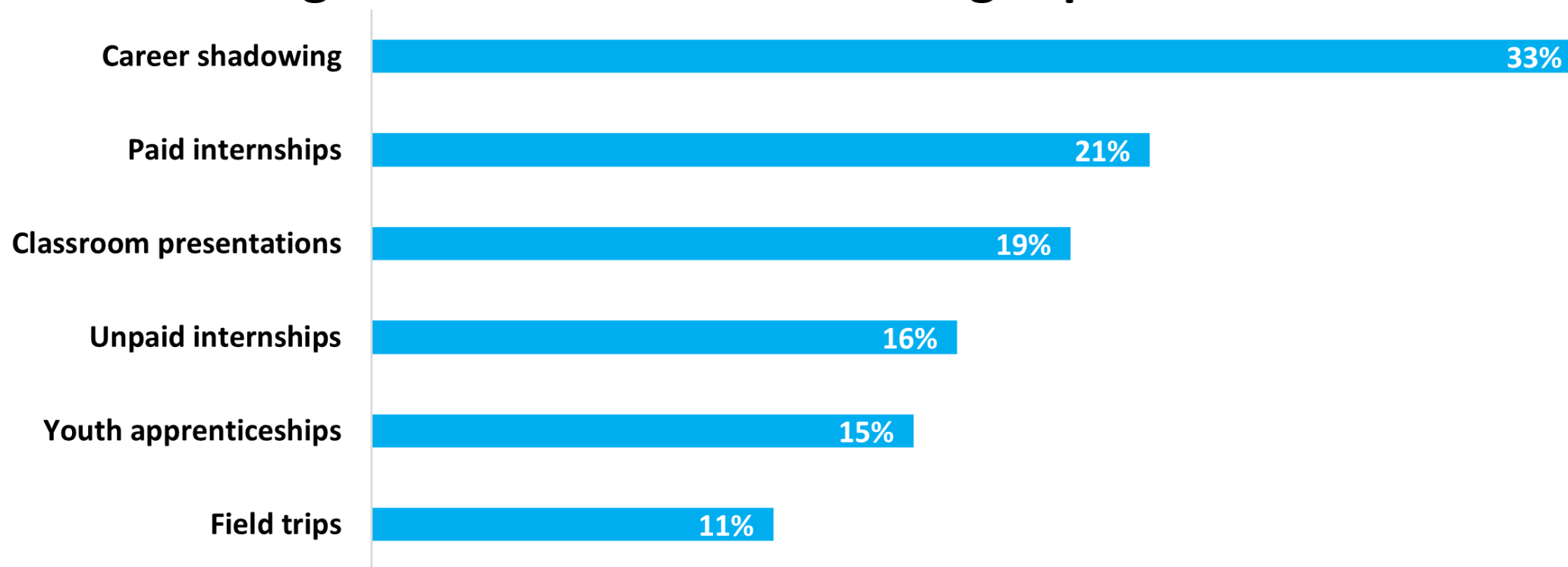
Firms Reporting Applicant Shortages in Functional Areas



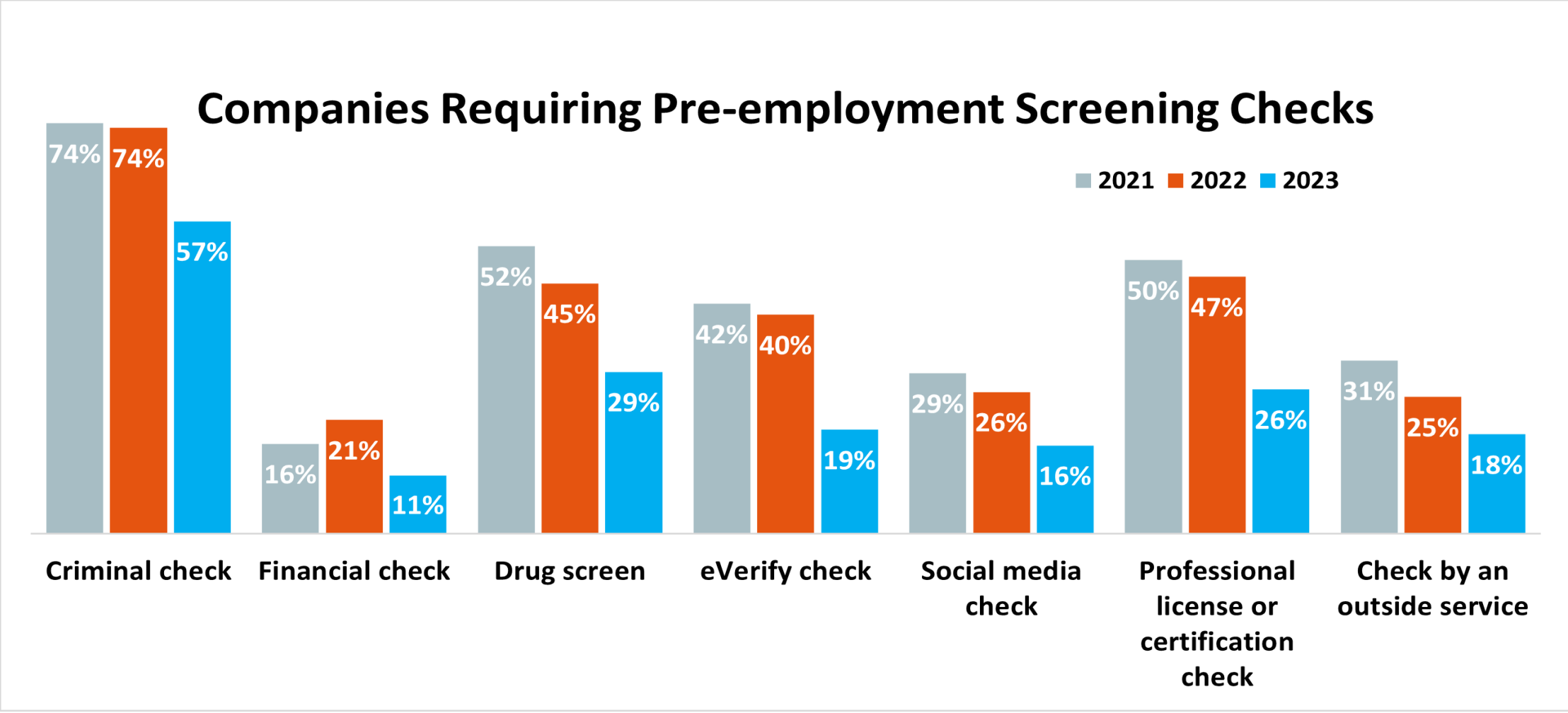
Increasing Opportunities



Young Adult Work-based Learning Experiences Offered

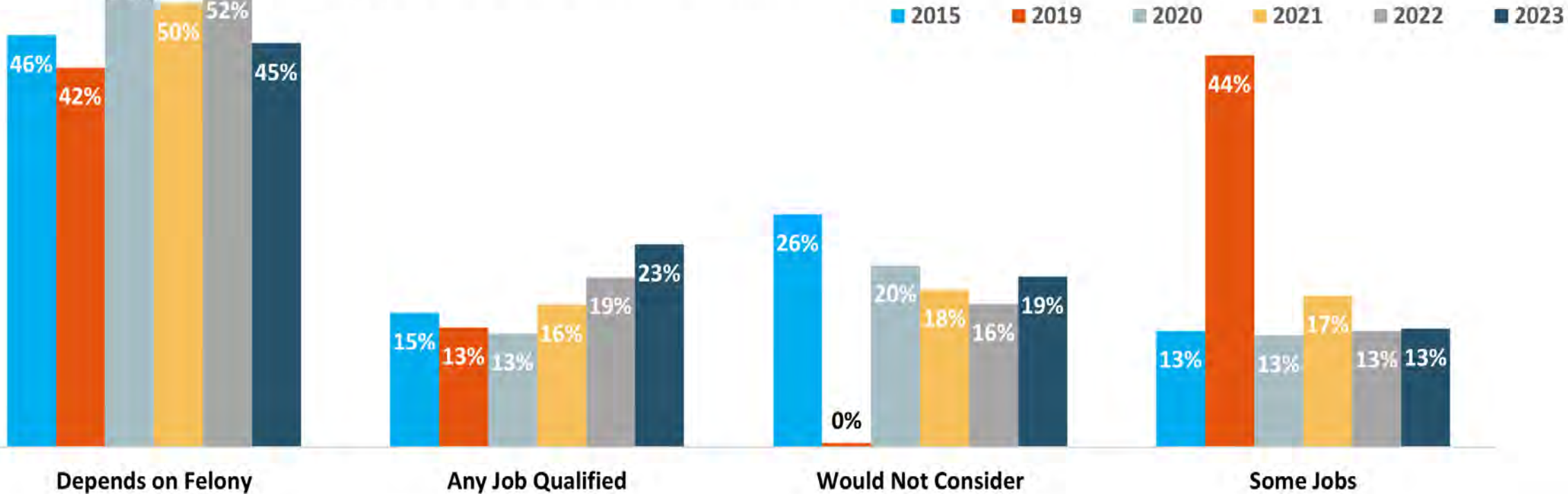


Employment Barriers

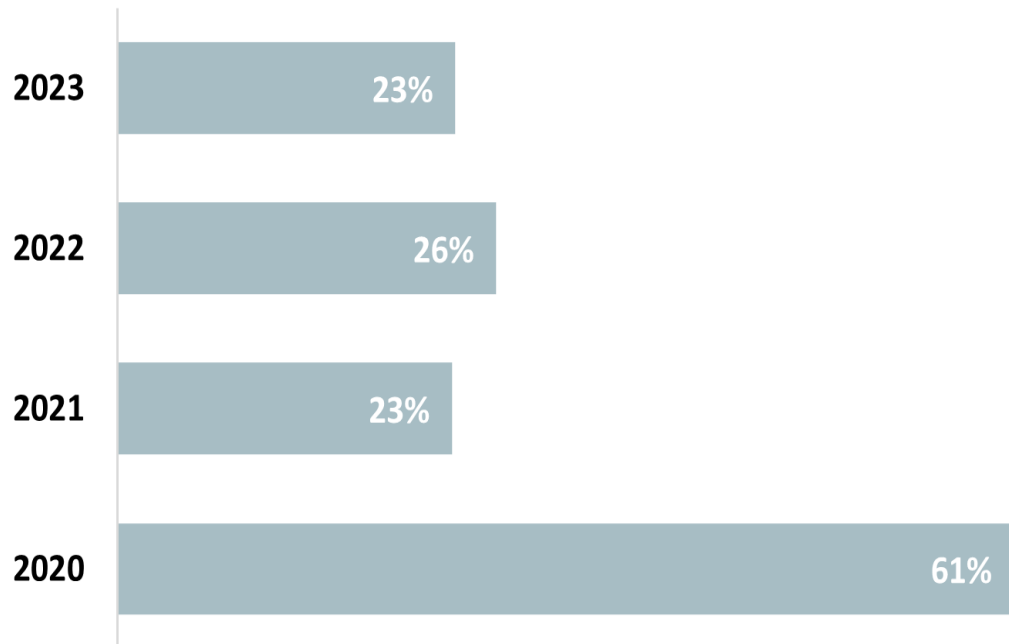


Employment Barriers

Employer Positions for Justice-involved Individuals

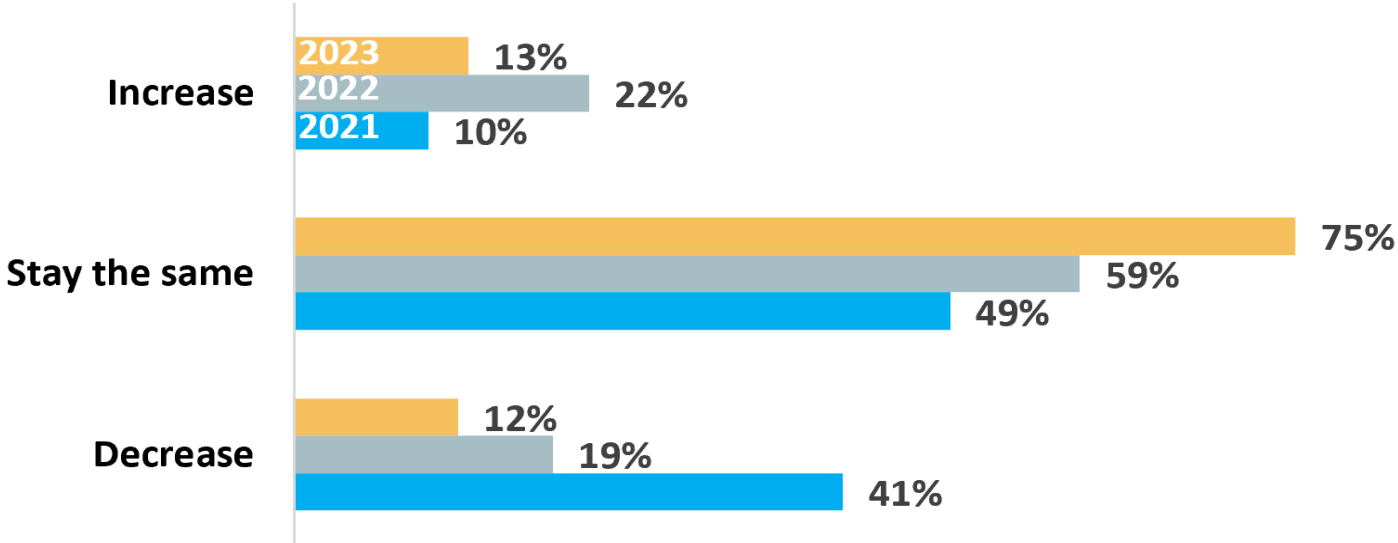


Employees Working Remotely



Remote Work

Expected change in number of remote workers over the next 12 months



Employers Define a Good Job

Top Five Characteristics of a “Good Job” from Employers

1. Pay rate
2. Job stability
3. Health insurance
4. Inclusiveness, and a sense of belonging
5. Paid time off (vacation or sick leave)

Top Five Characteristics of a “Good Job” from Workers

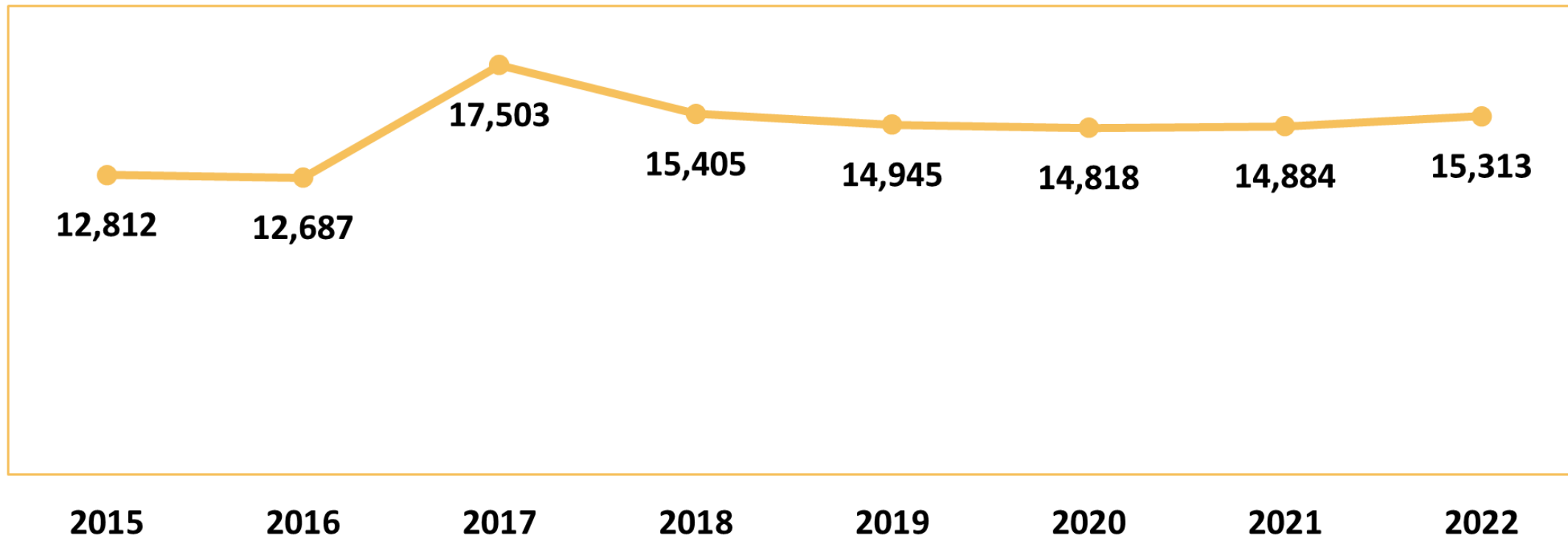
1. Job Stability
2. Flexibility
3. Career Pathway
4. Pay Rate Matches Responsibilities
5. Job Satisfaction

Source: Miller, Sarah, et al. *Worker Voices: Shifting Perspectives and Expectations on Employment*. FedCommunities and The Federal Reserve, May 2023, <https://fedcommunities.org/research/worker-voices/2023-shifting-perspectives-expectations-employment/>. Data accessed July 2023.

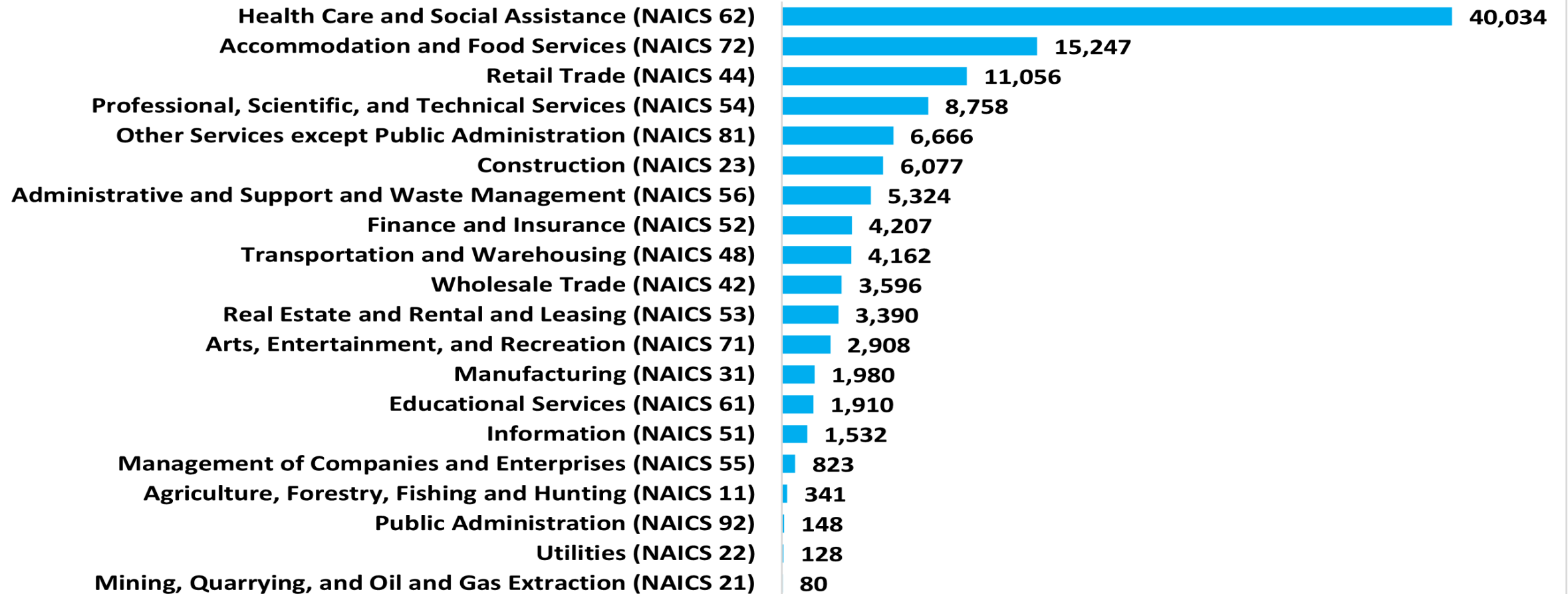


**St. Louis region
added 15,313 new
jobs by startups in
2022**

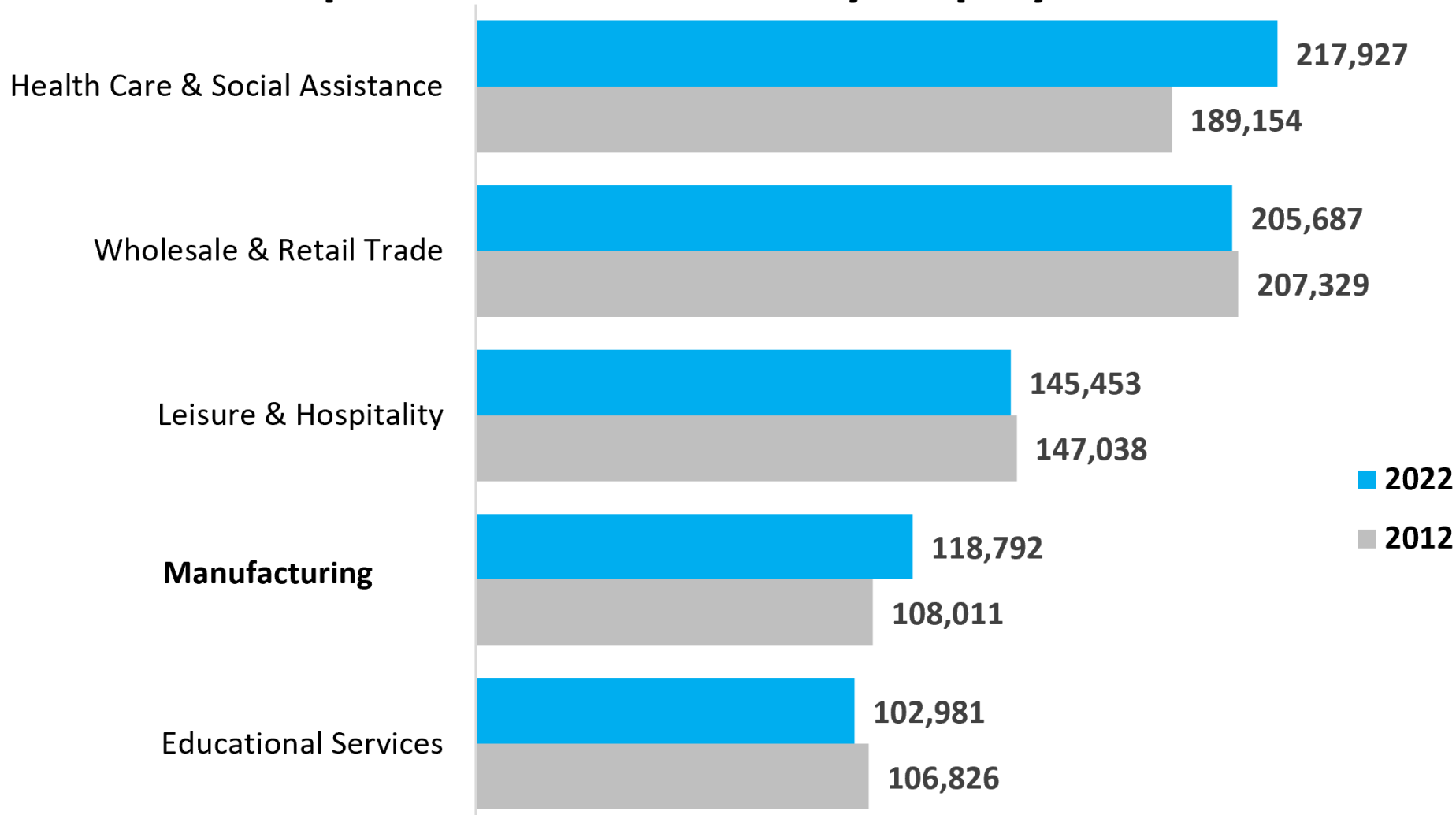
St. Louis Region Jobs Created by First-time Startups by Year



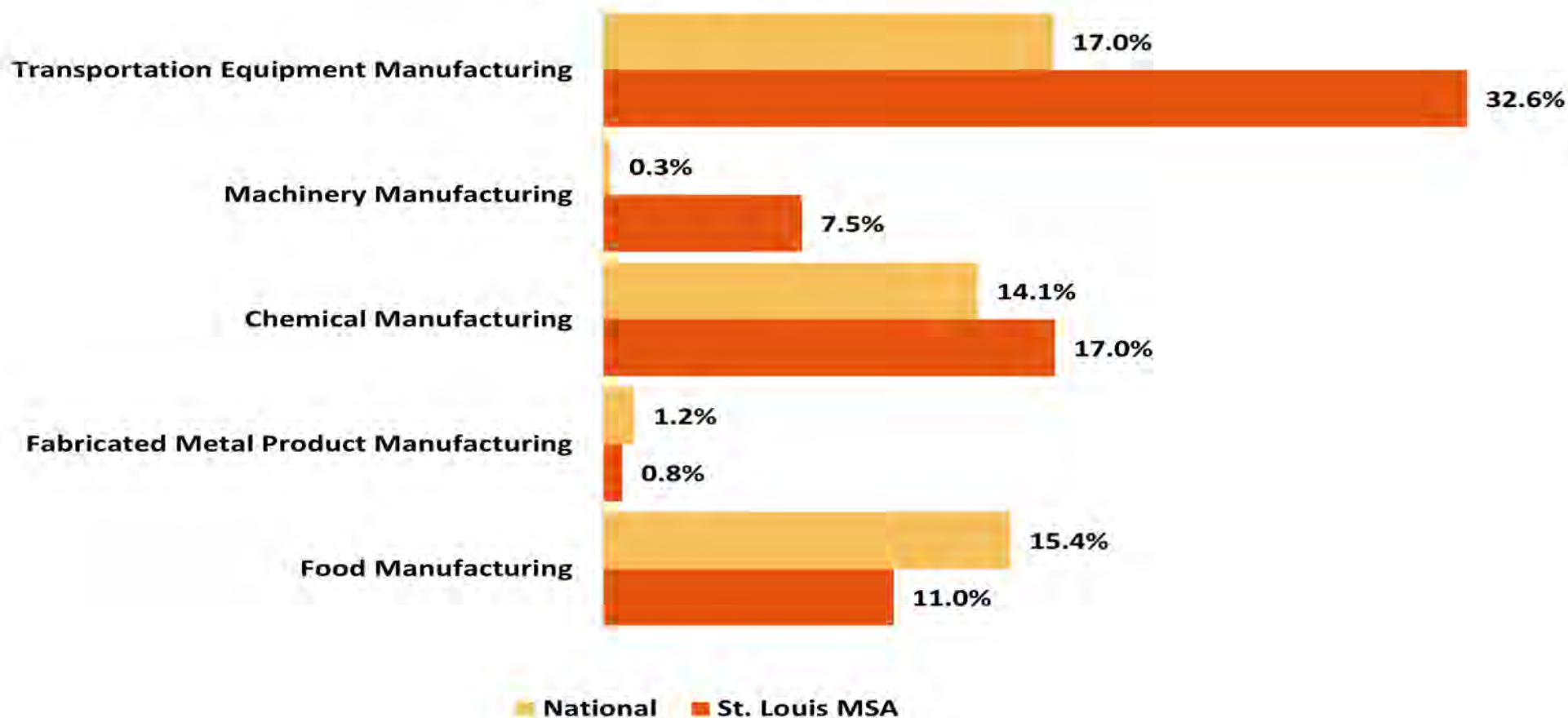
St. Louis Region Jobs Created by Startups (2015-2022)



Top Five St. Louis Industry Employment



St. Louis MSA Employment Growth for Top 5 Manufacturing Subsectors from 2012-2022





2023 STATE OF THE ST. LOUIS

WORKFORCE

stlcc.edu/STLworkforce





2023 STATE OF THE ST. LOUIS

WORKFORCE

stlcc.edu/STLworkforce

