



Metropolitan Mirror: Facts and Trends Reflecting the Metropolitan Region

October 2010

Tracking Economic Recovery in the St. Louis, MO-IL Metropolitan Area

This sixth installment of the Brookings Institution *MetroMonitor* series examines indicators through the second quarter of 2010 (ending in June) in the areas of employment, unemployment, output, home prices, and foreclosure rates for the nation's 100 largest metropolitan areas. The report tracks recent economic performance in the St. Louis metropolitan area compared to America's 100 largest metro areas and the nation through the second quarter of 2010.

The Monitor finds that, contrary to popular belief, either housing was underpriced or in line with economic trends in most major metropolitan areas. The report also finds that economic growth is slowing in most areas. Manufacturing and temporary Census hiring bolstered job growth but the jobs recovery continues to be anemic. The Monitor's companion pieces illustrate the economic climates in the Great Lakes and Intermountain West regions. The St. Louis, MO-IL Metropolitan Area is highlighted in the tables and figures on the following pages.



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Employment

The Monitor establishes that employment data underscores the weakness of the economic recovery most clearly. The report details that the St. Louis metro area experienced a greater change in employment than the national average. Table 1 and Figure 1 below shows the percentage change in employment from its peak in the first quarter of 2008 to the most recent reported quarter in 2010.

Table 1. Employment in the St. Louis, MO-IL Metropolitan Area.

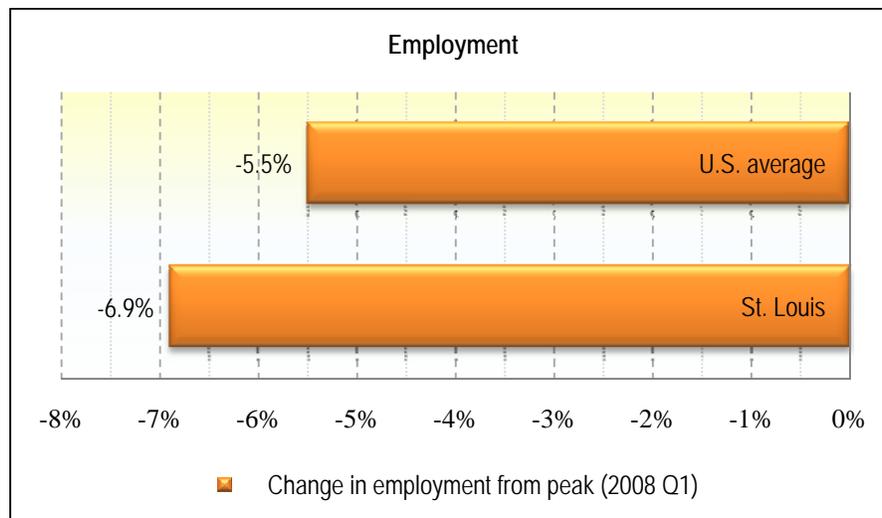
Total wage and salary jobs, seasonally adjusted. Percentage change in employment is shown from the metro area's peak employment quarter (2008 Q1) to the most recent quarter (2010 Q2).

	St. Louis	Rank ¹	100-metro average	U.S. average
Employment				
Change in employment from peak (2008 Q1) ²	-6.9%	59	-5.9%	-5.5%
One-quarter change in employment ³	0.4%	60	0.5%	0.7%

Source: MetroMonitor Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas, Brookings Institution. Howard Wial and Richard Shearer, September 2010.

- For all indicators, a rank of 1 signifies the strongest-performing metro while a rank of 100 signifies the weakest-performing metro.
- Peaks are defined as the highest employment level attained since the first quarter of 2004.
- Percentage change in employment is also shown from the previous quarter to the most recent quarter (2010 Q2), measuring the extent to which employment is moving toward recovery.

Figure 1. Change in Employment in the St. Louis, MO-IL Metropolitan Area, 2008 to 2010.



Unemployment Rate

Unemployment rates provide a view of labor market distress experienced by workers in metropolitan areas across the country. Overall, the United States lost jobs for three consecutive months and the unemployment rate remained high, at 9.6 percent in August. Ranking 11th strongest, Table 2 and Figure 2 demonstrate that the St. Louis metro area proved to be a more robust performer than either the 100 largest metro areas or the nation as a whole.

Table 2. Unemployment Rate in the St. Louis, MO-IL Metropolitan Area, Second Quarter 2010.

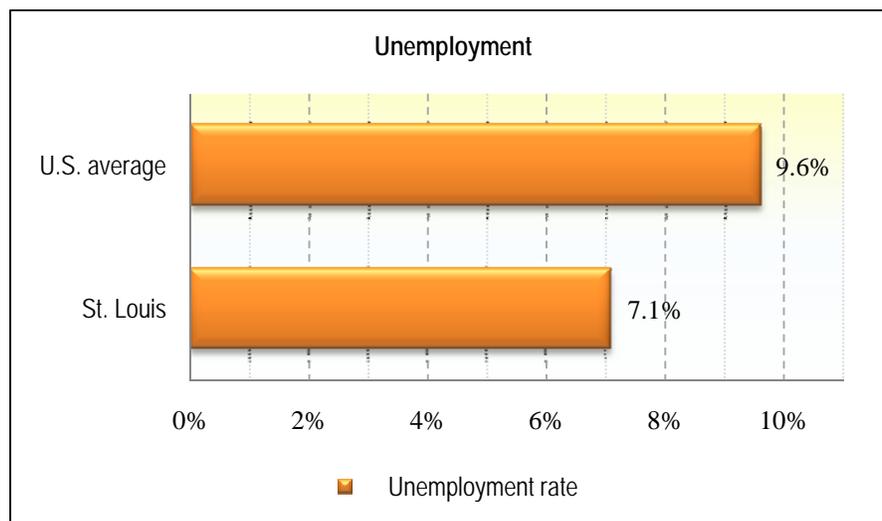
Percentage of the labor force that is currently unemployed, not seasonally adjusted, last month of quarter.

	St. Louis	Rank ¹	100-metro average	U.S. average
Unemployment				
Unemployment rate	7.1%	11	9.7%	9.6%
Three-year percentage point change in unemployment rate ²	4.3 points	37	5.1 points	4.9 points
One-year percentage point change in unemployment rate	0.2 points	53	0.0 points	-0.1 points

Source: MetroMonitor Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas, Brookings Institution. Howard Wial and Richard Shearer, September 2010.

1. For all indicators, a rank of 1 signifies the strongest-performing metro while a rank of 100 signifies the weakest-performing metro.
2. Because the data are not seasonally adjusted, change in the unemployment rate is shown from the same month in previous year and three years prior.

Figure 2. Unemployment Rate in the St. Louis, MO-IL Metropolitan Area, Second Quarter 2010.



Gross metropolitan product (GMP)

The output is measured in this report as the total value of goods and services produced within a metro area. The percentage change in GMP is shown for the St. Louis metro area in contrast with the 100 largest metro areas in Table 3 and Figure 3 below. The report highlights that the St. Louis metro area is ranked 10th strongest from the previous quarter to the most recent quarter (2010 Q2).

Housing prices in the St. Louis, MO-IL Metropolitan Area.

Prices of single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac.

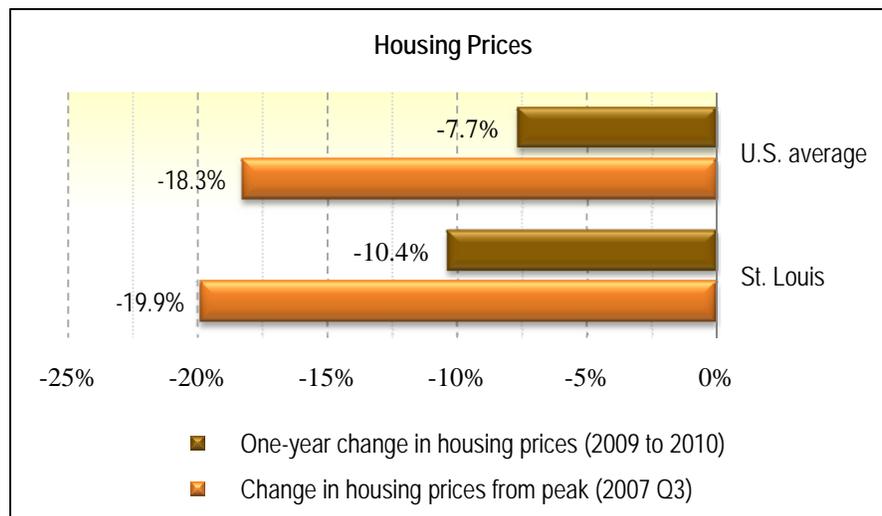
	St. Louis	Rank ¹	100-metro average	U.S. average
Housing Prices				
Change in housing prices from peak (2007 Q3) ²	-19.9%	60	-23.1%	-18.3%
One-year change in housing prices	-10.4%	81	-7.5%	-7.7%
One-quarter change in housing prices ³	-2.1%	72	-1.4%	-1.2%

Source: MetroMonitor Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas, Brookings Institution. Howard Wial and Richard Shearer, September 2010.

1. For all indicators, a rank of 1 signifies the strongest-performing metro while a rank of 100 signifies the weakest-performing metro.
2. Percentage change in housing prices is shown from the metro area's peak housing price quarter (2007 Q3) to the most recent quarter (2010 Q2). Peaks are defined as the highest house price level attained between the first quarter of 2005 and the second quarter of 2009.
3. Percentage change in housing prices is shown from the previous quarter to the most recent quarter (2010 Q2).

Figure 3. Housing Prices in the St. Louis, MO-IL Metropolitan Area.

One-year change in housing prices (2009 to 2010) and change in housing prices from peak (2007 Q3).



Housing Prices

The center of the current economic crisis took hold in the housing market, and most areas of the country have encountered house price declines in recent quarters. Table 4 and Figure 4 reveals that the St. Louis metro area experienced a larger percentage change in housing prices in the last year than the 100 Largest Metropolitan areas did or the United States overall.

Table 4. Gross metropolitan product (GMP) in the St. Louis, MO-IL Metropolitan Area.

Total value of goods and services produced within the metro area.

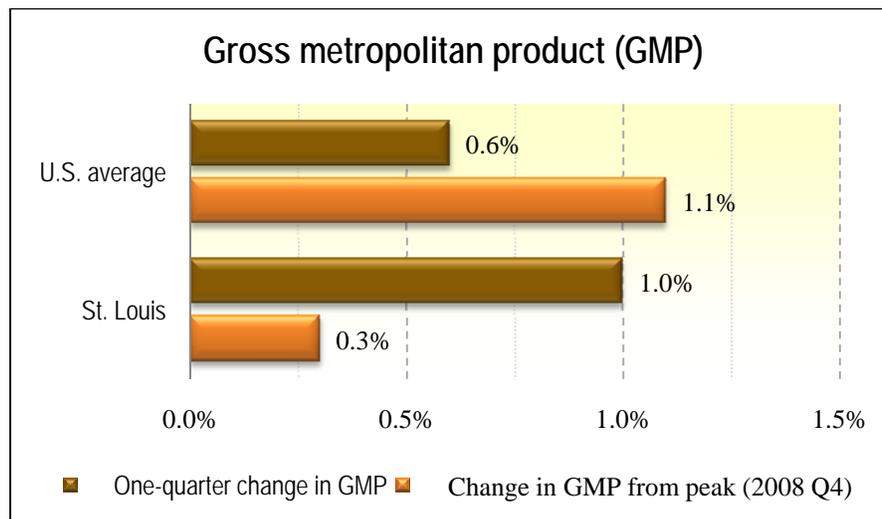
	St. Louis	Rank ¹	100-metro average	U.S. average
Gross metropolitan product (GMP)				
Change in GMP from peak (2008 Q4) ²	0.3%	34	0.5%	1.1%
One-quarter change in GMP	1.0%	10	0.6%	0.6%

Source: MetroMonitor Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas, Brookings Institution. Howard Wial and Richard Shearer, September 2010.

1. For all indicators, a rank of 1 signifies the strongest-performing metro while a rank of 100 signifies the weakest-performing metro.
2. The percentage change in GMP is shown from the metro area's peak GMP quarter (2008 Q4) to the most recent quarter (2010 Q2).
3. The percentage change in GMP is shown from the previous quarter to the most recent quarter (2010 Q2).

Figure 4. Gross metropolitan product (GMP) in the St. Louis, MO-IL Metropolitan Area.

(2008 Q4) to the most recent quarter (2010 Q2).



Real Estate-Owned (REO) Properties

Flawed mortgage lending, declining home prices, and rising unemployment have combined to create significant but inconsistent home foreclosure problems across the country. The report shows that the St. Louis metro area experienced a lesser share of mortgageable properties owned by lending institutions than by most of the nation. Table 5 and Figure 5 illustrate how this has changed over the last quarter for the St. Louis metro area.

Table 5. Real estate-owned (REO) properties in the St. Louis, MO-IL Metropolitan Area.

Foreclosed properties that fail to sell at auction and thus become owned by the lending institution.

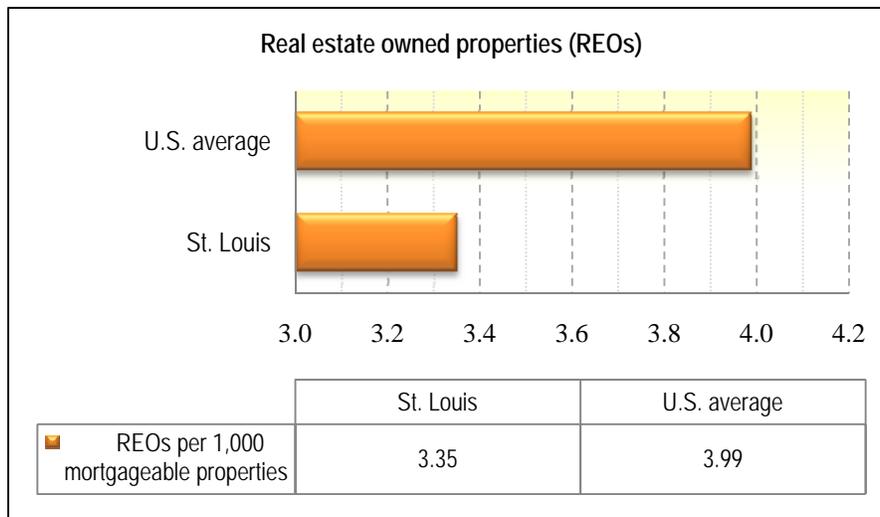
	St. Louis	Rank ¹	100-metro average	U.S. average
Real estate owned properties (REOs)				
REOs per 1,000 mortgageable properties ²	3.35	55	4.86	3.99
One-quarter change in REOs per 1,000 mortgageable properties	0.27	65	0.32	0.26

Source: MetroMonitor Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas, Brookings Institution. Howard Wial and Richard Shearer, September 2010.

1. For all indicators, a rank of 1 signifies the strongest-performing metro while a rank of 100 signifies the weakest-performing metro.
2. Shown as the share of all mortgageable properties in the metro area in the last month of the most recent quarter (2010 Q2).

Figure 5. Real estate-owned (REO) properties in the St. Louis, MO-IL Metropolitan Area.

Shown as the share of all mortgageable properties in the metro area in the last month of the most recent quarter, (2010 Q2).



Download the St. Louis Metropolitan Profile

http://www.brookings.edu/~media/Files/Programs/Metro/metro_monitor/metro_profiles/st_louis_mo_metro_profile.pdf

Download the Full Report

http://www.brookings.edu/~media/Files/Programs/Metro/metro_monitor/2010_09_metro_monitor/0915_metro_monitor.pdf

Interactive Maps

Interactive *MetroMonitor* maps, underlying indicator data, and one-page profiles of each of the 100 largest metro areas are also available at

<http://www.brookings.edu/metro/MetroMonitor.aspx>

Source: Brookings Institution. 2010. *Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas*. Howard Wial and Richard Shearer.