

Economic Outlook

Clay County Driving the Region Forward

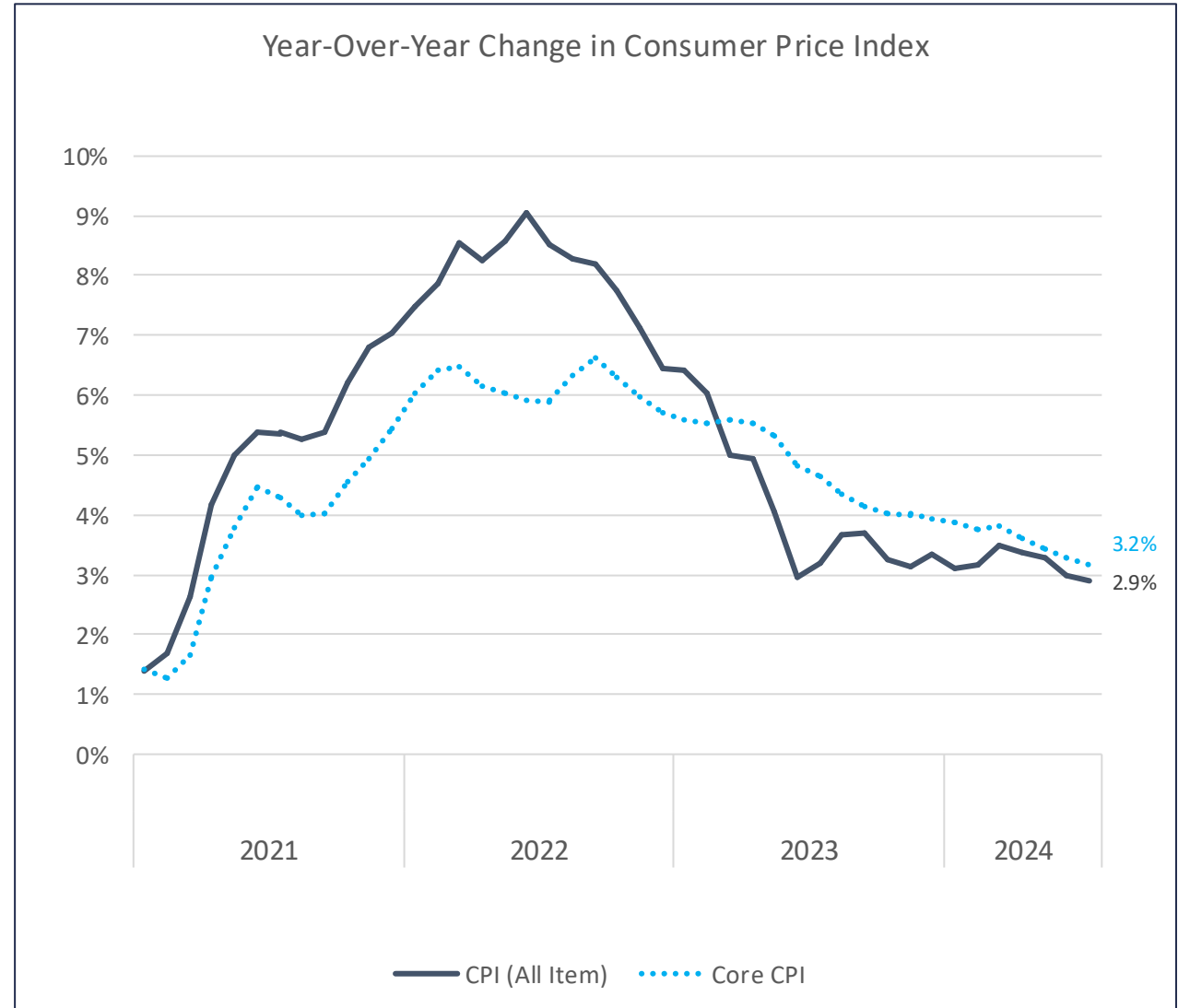
Sept. 2024



Missouri Department of
Economic Development

Economy is Normalizing: Inflation

- After spiking in 2022, inflation has slowly retreated.
- The July inflation rate was 2.9%.
- This is still well above the Fed's target of 2%, but there is a belief that the downward trend will continue.

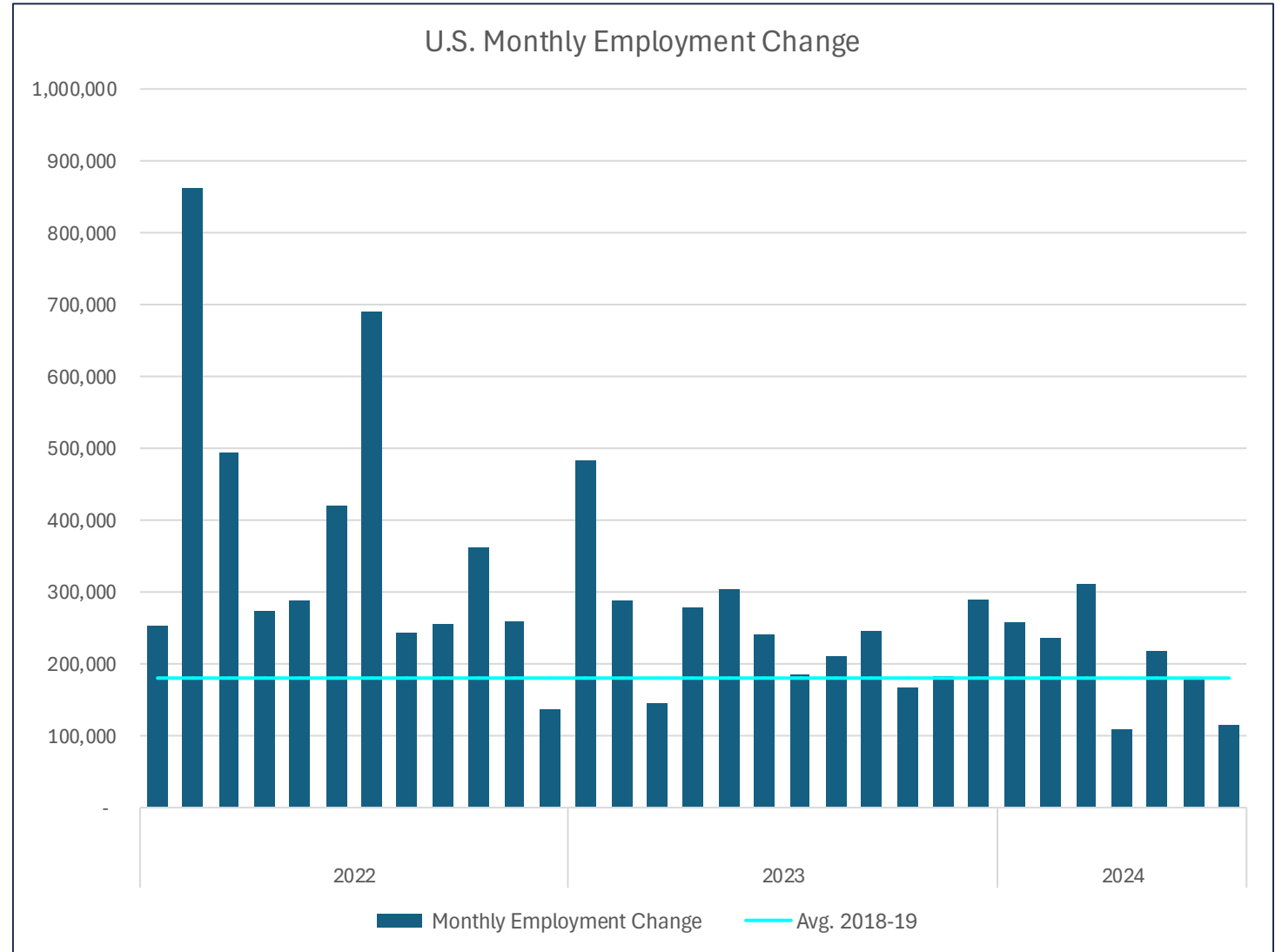


Economy is Normalizing: Employment

- We are seeing a clear slowing in the rate of job creation relative to a few years ago.

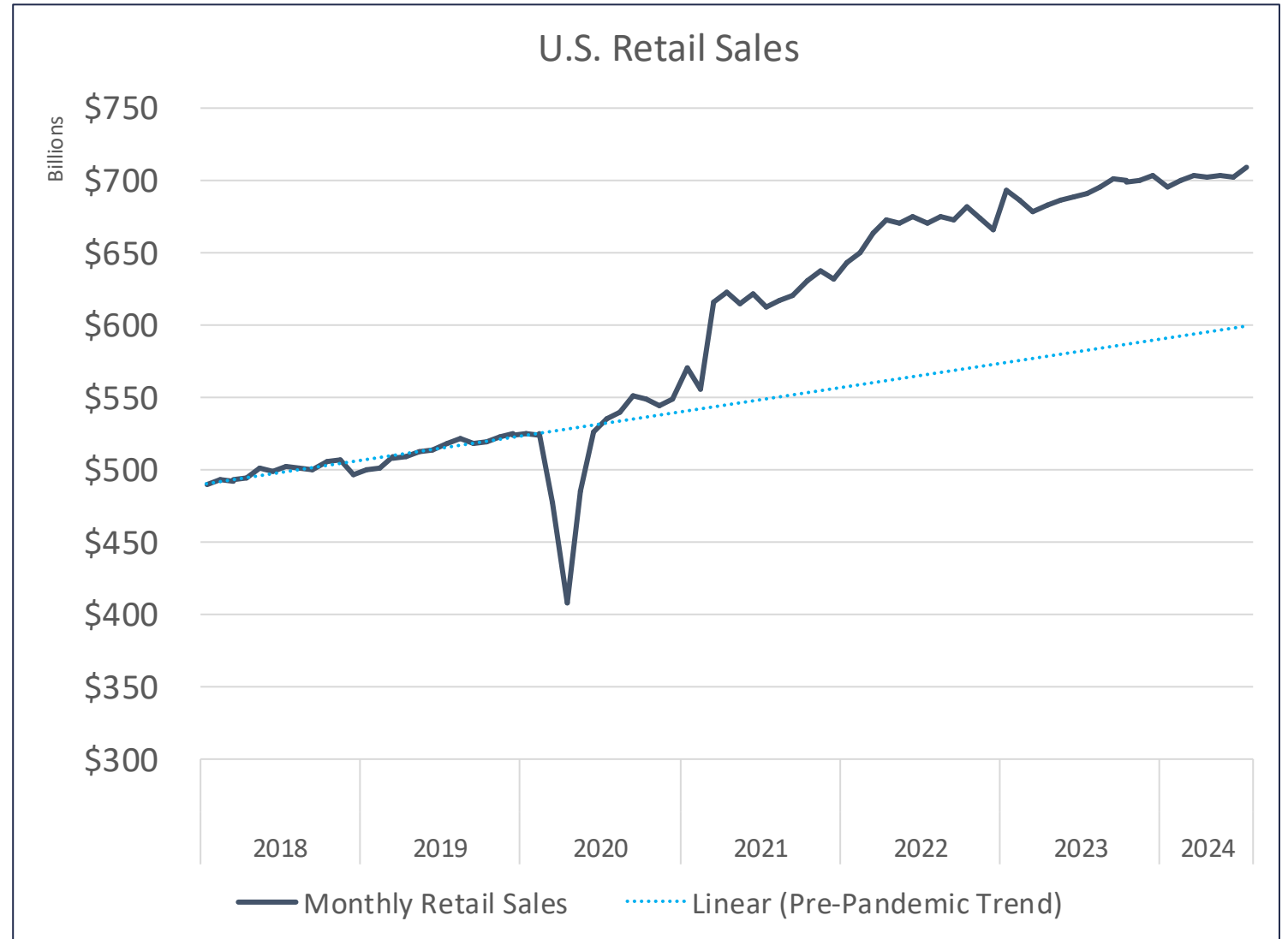
Avg. monthly Emp. Growth

- **2022: 377,333**
 - **2023: 251,083**
 - **2024 (thru July): 202,714**
- But even the slower pace we have seen in 2024, is above pre-pandemic levels (179,347)



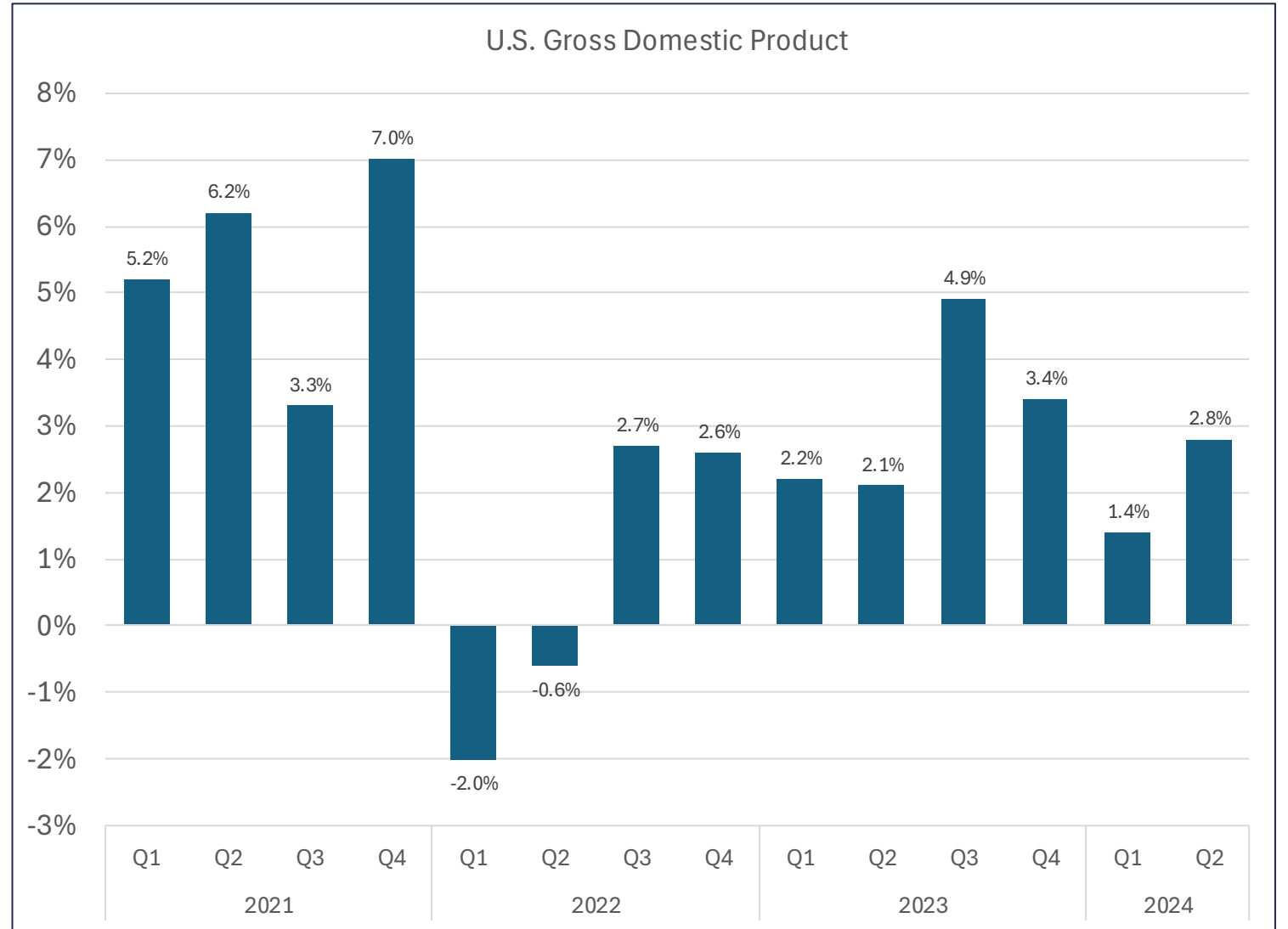
Economy is Normalizing: Retail Sales

- Retail sales spiked in 2021... and stayed there.
- This data is **not** inflation adjusted so part of this increase was simply higher prices.
- Recent signs suggest sales are starting to flatten.



Economy is Normalizing: Gross Domestic Product

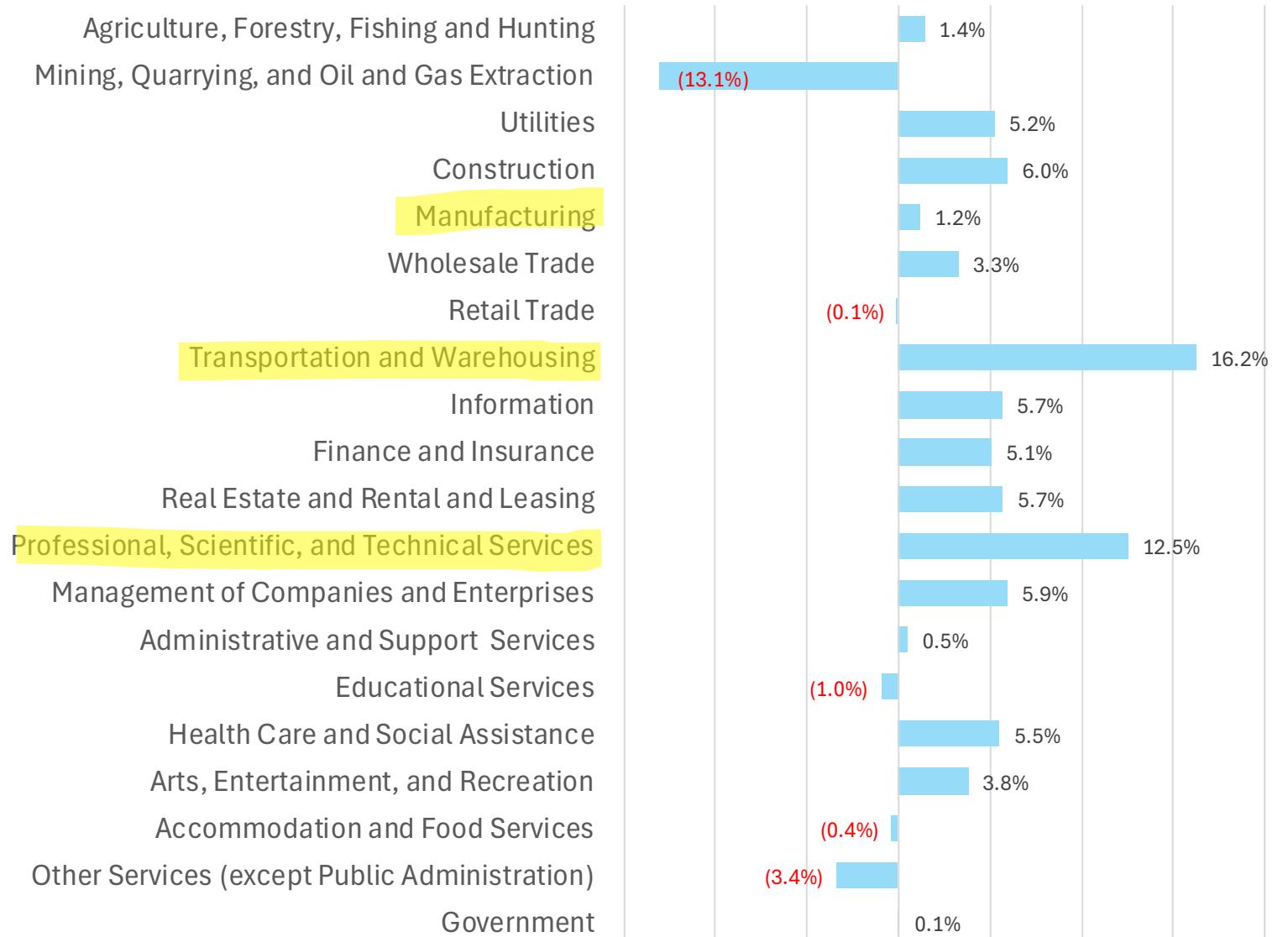
- GDP remained mostly strong post-pandemic.



The Economy Did Undergo Some Change

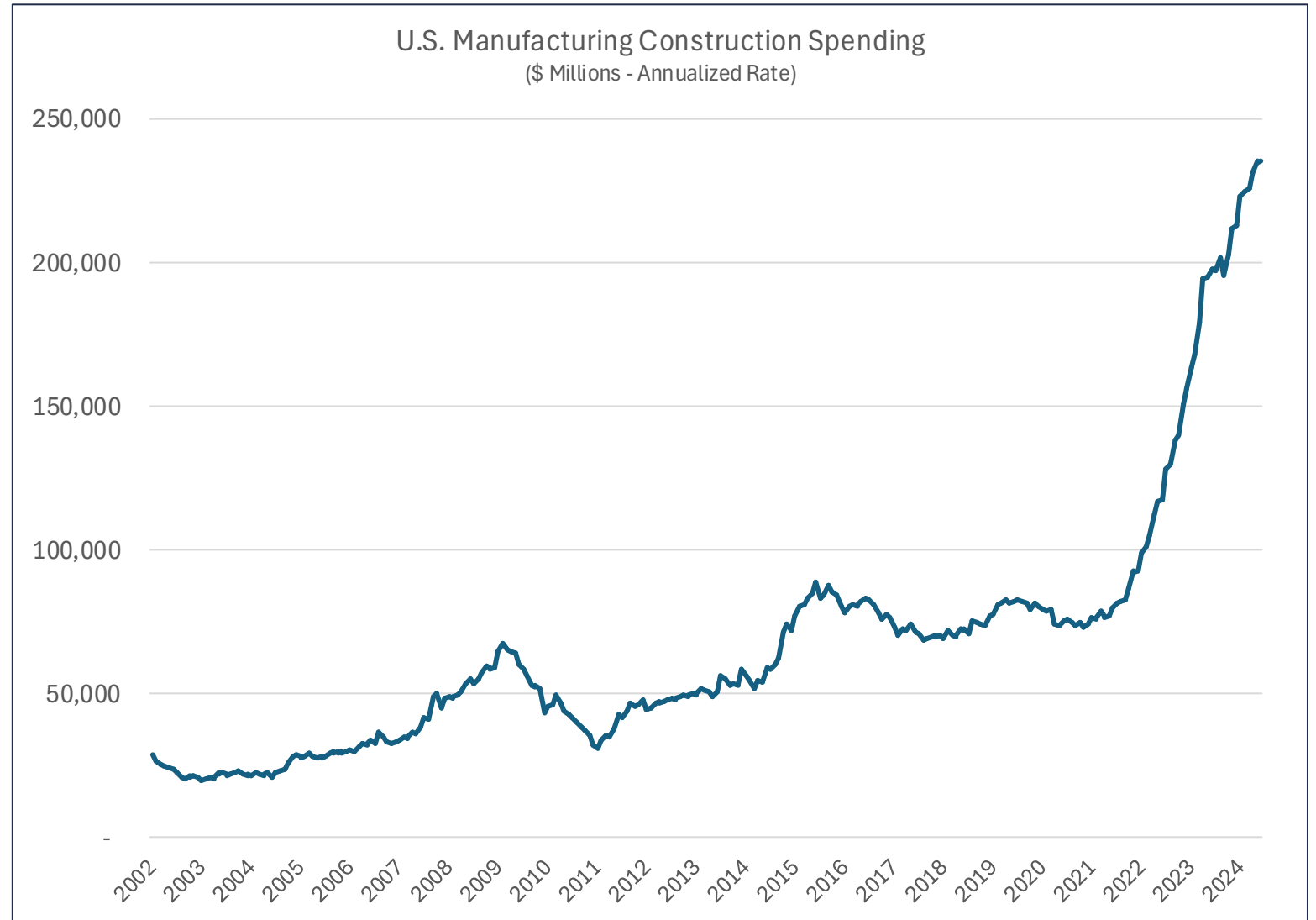
- Overall employment growth was up 3%.
- Some industries saw some significant change.
 - Transportation & Warehousing +16.2%
 - Professional, Scientific Tech. Svcs. +12.5%
- Manufacturing growth was modest, but it had lost over 3 million jobs since 2001.

U.S. Employment Change by Industry 2019-2023



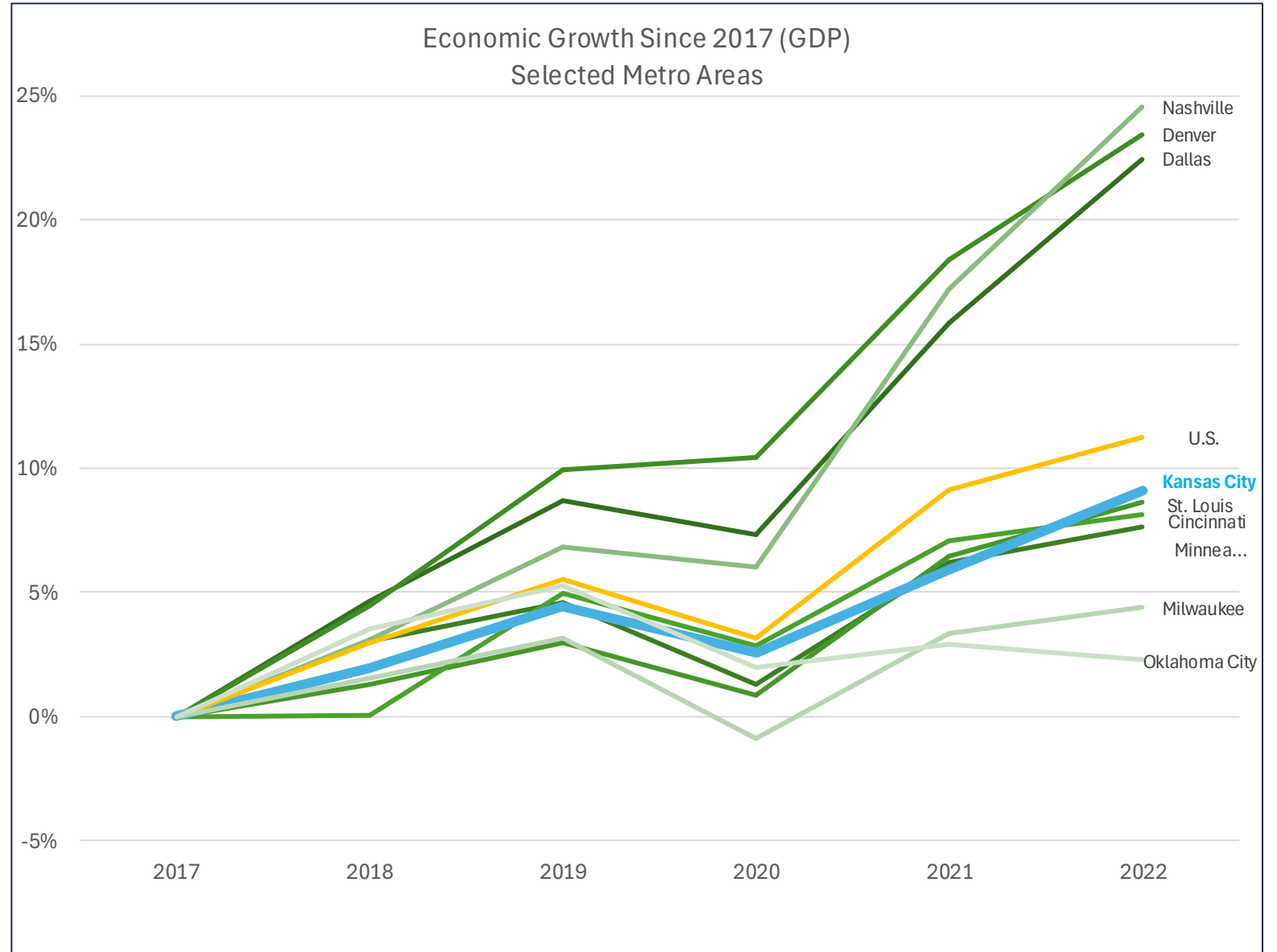
Manufacturing Construction Boom

- There has been an unprecedented jump in investment in U.S. manufacturing.



Kansas City MSA Growth

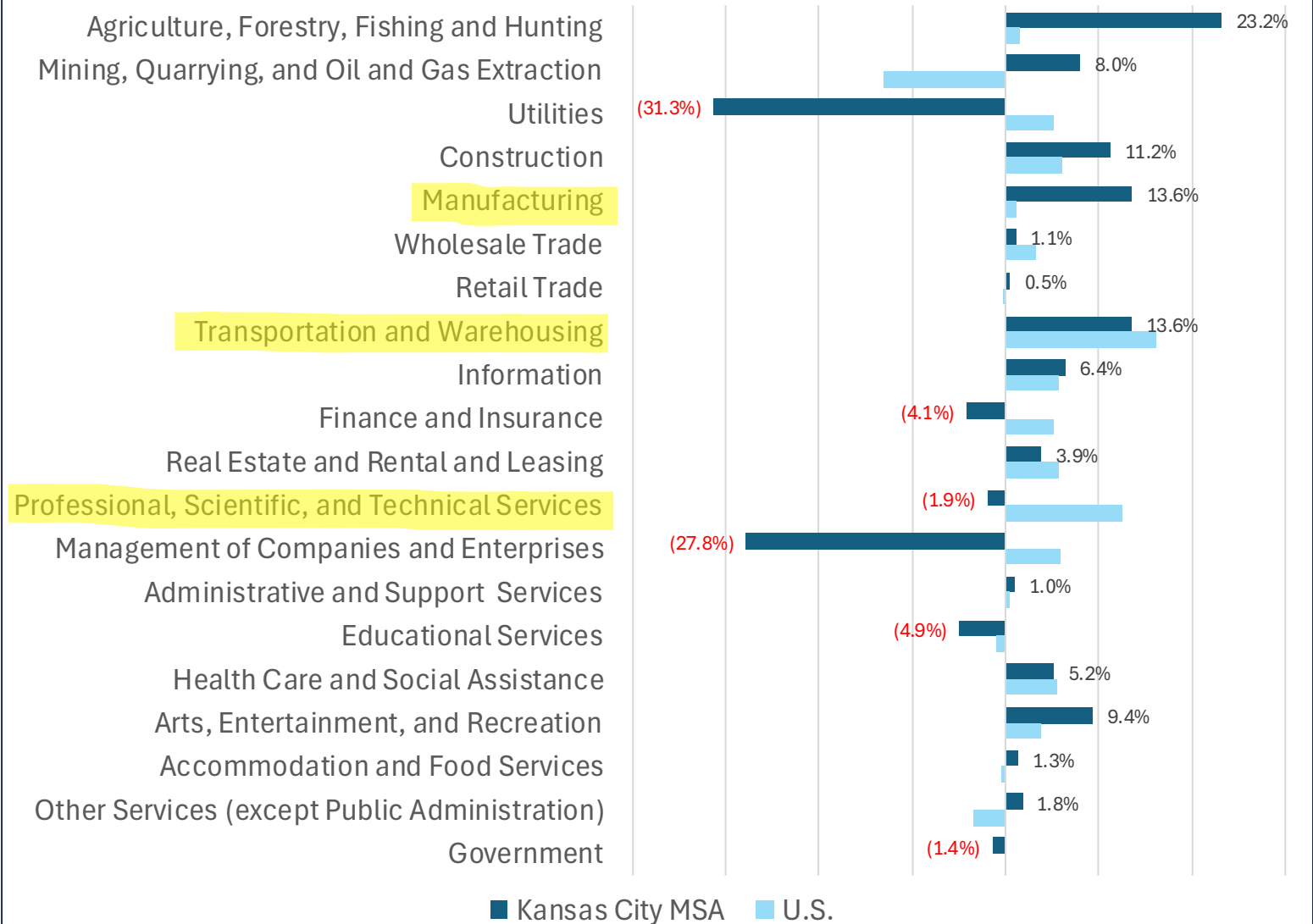
- The Kansas City metro's growth has slightly lagged the nation's.
- There has been a wide variance in MSA economic performance over the past 5 years.



Employment Change Comparison

- The Kansas City metro has outpaced the nation in manufacturing job growth.
- Transportation has also been strong.
- While the nation has seen an increase in professional, technical and business services, Kansas City has seen a slight decline.

Employment Change by Industry 2019-2023
Kansas City MSA vs. U.S.

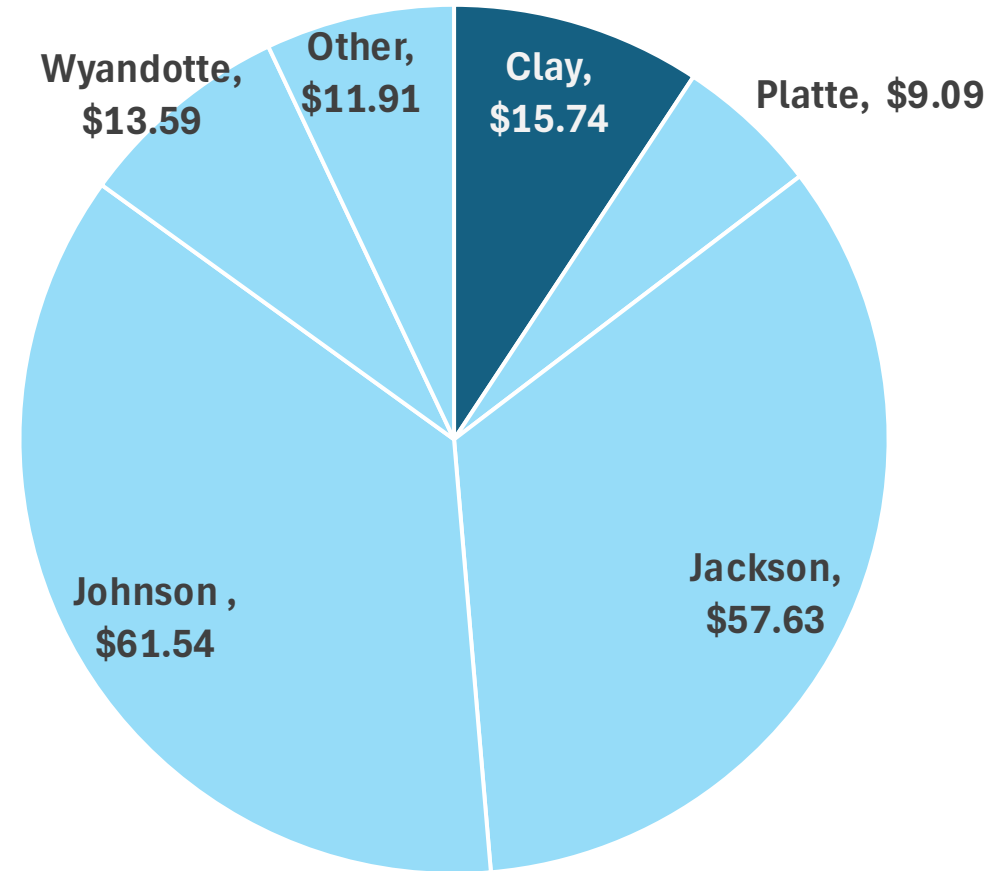


KC MSA GDP by County

- Northland accounts for about 14% of the metro's economy.

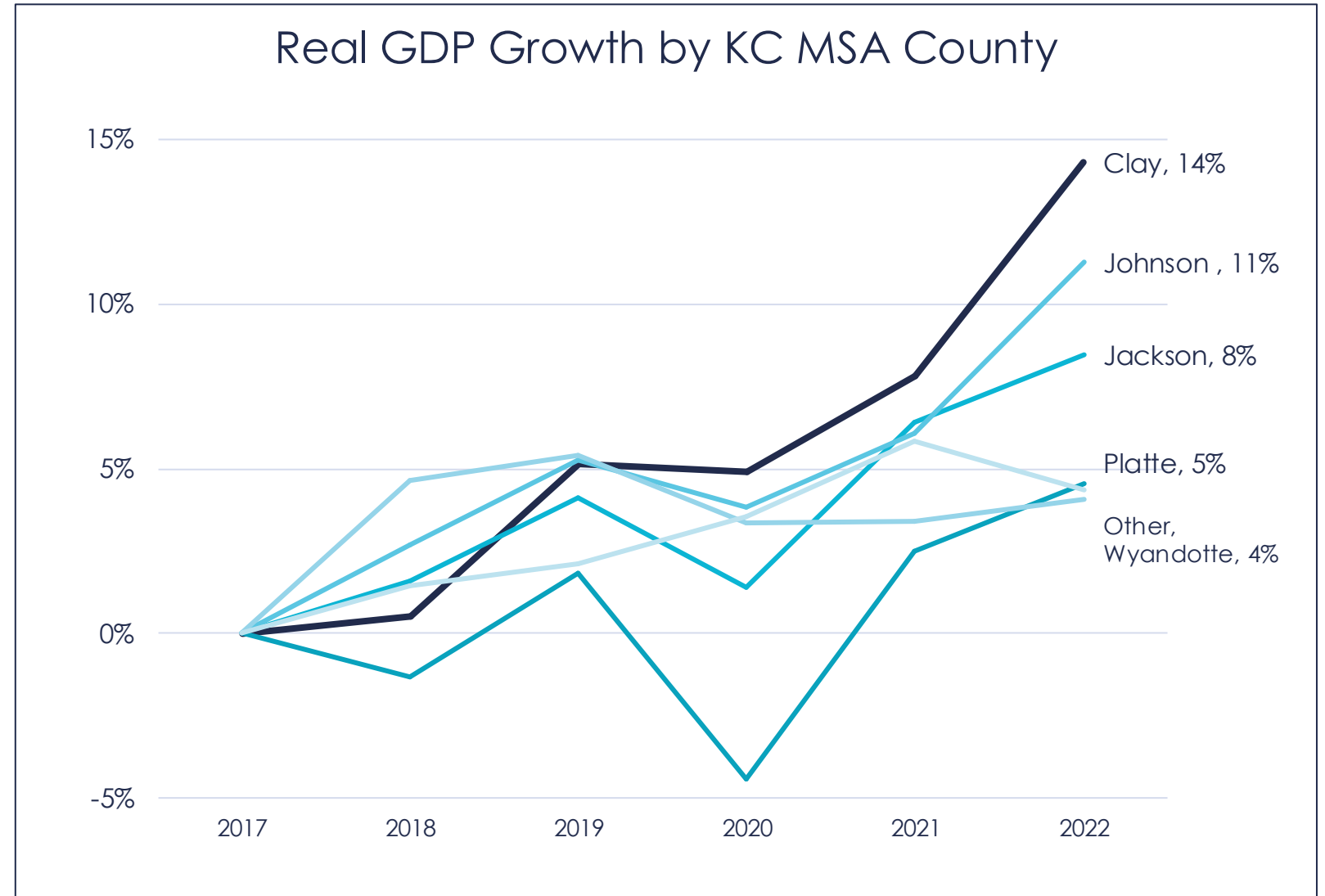
Kansas City MSA GDP

2022 \$Billions



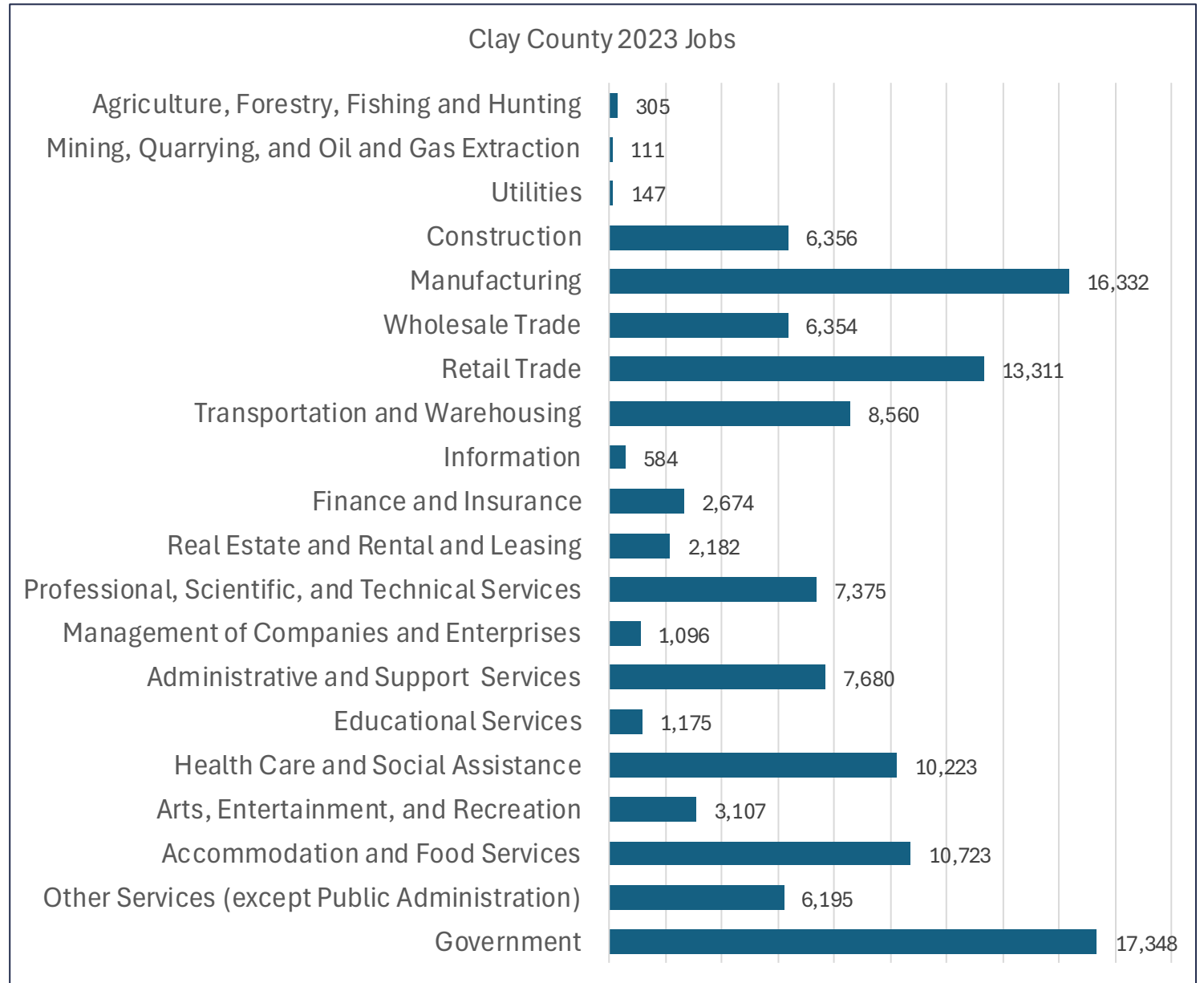
GDP Growth by County

- Since 2017, Clay County's economy has grown the fastest at 14%.



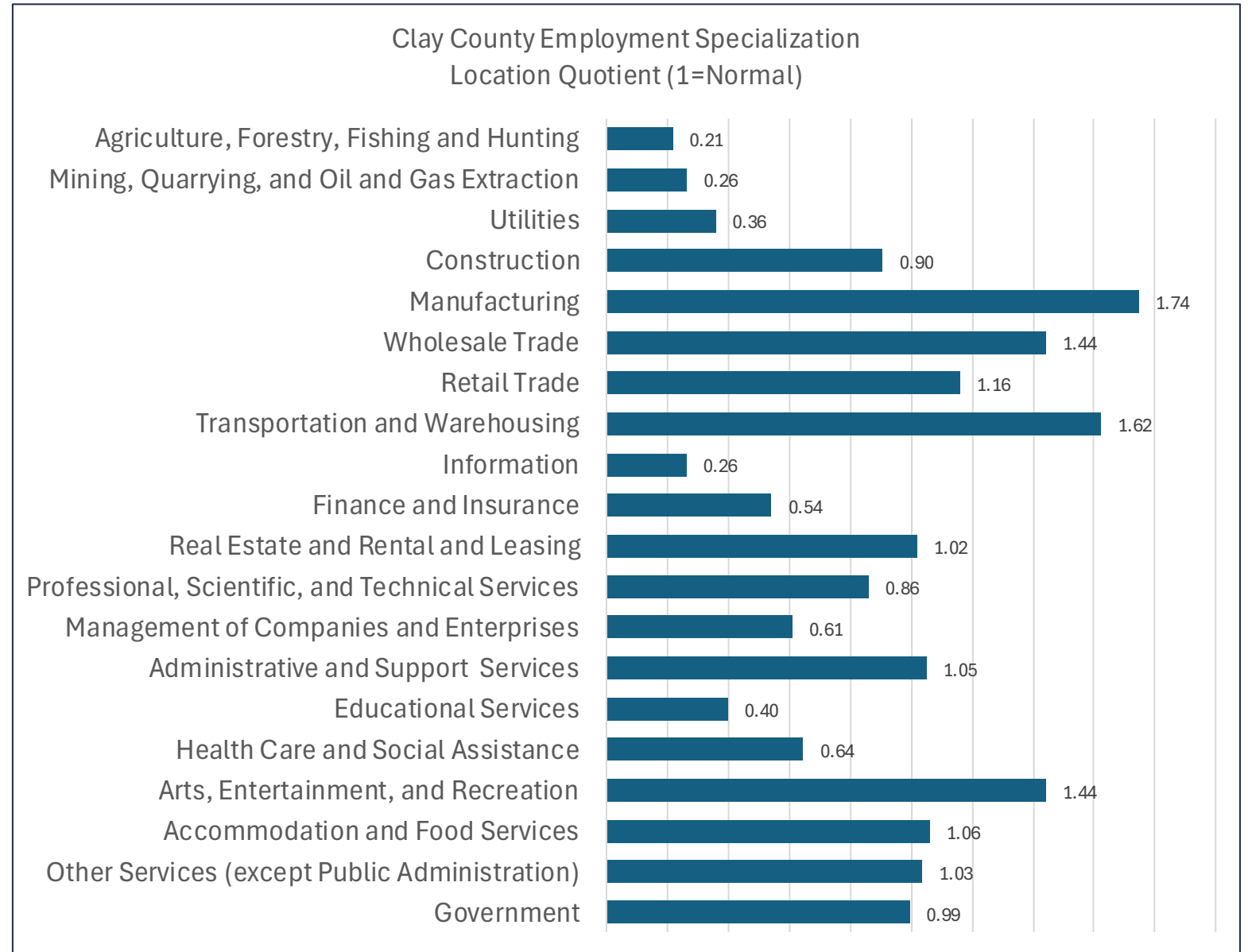
Clay County Employment by Industry

- Government (which includes public education) is the largest employing industry in Clay County, followed by Manufacturing and Retail.



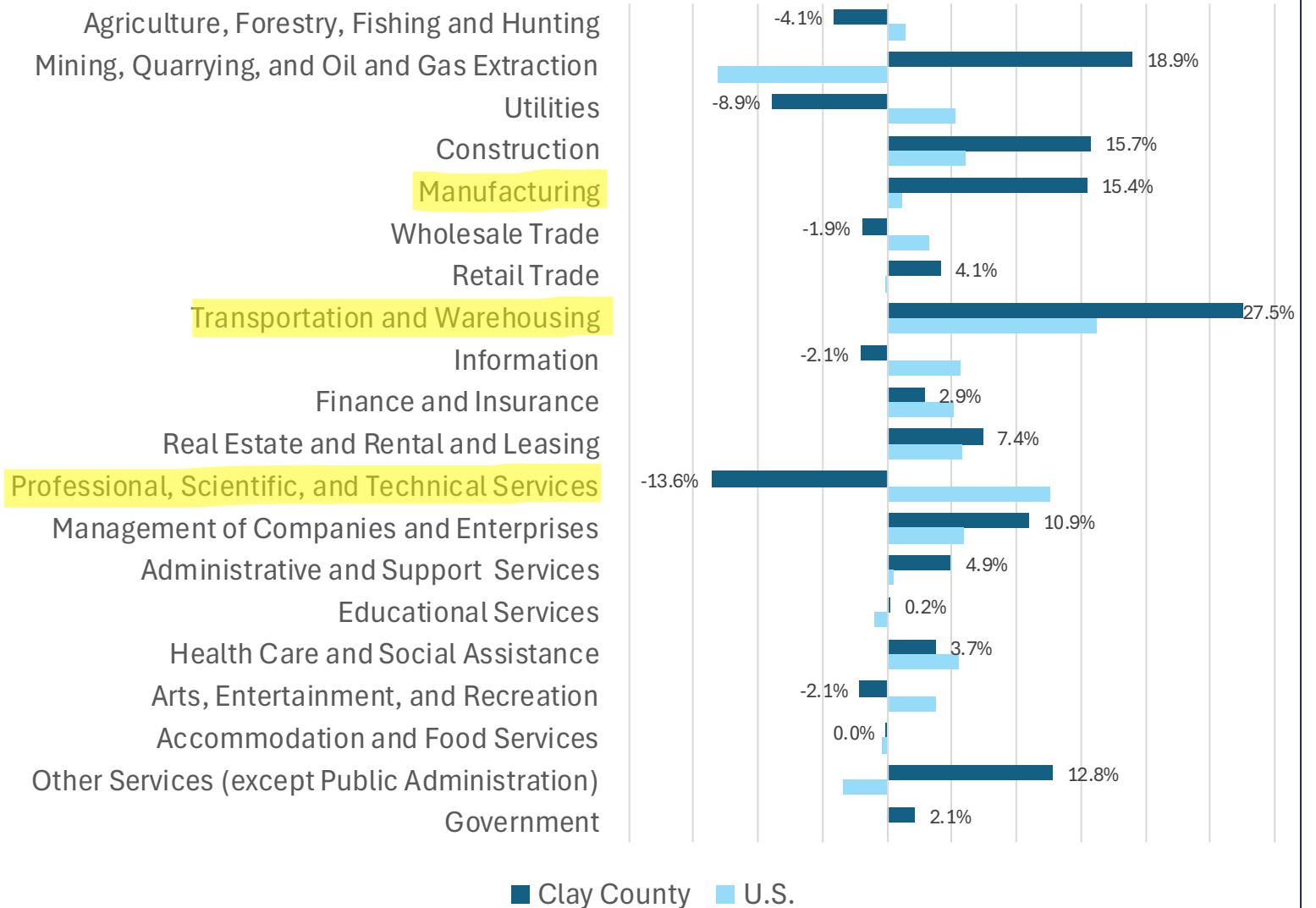
Clay County Employment by Industry Specialization

- Clay County has strong specializations in Manufacturing, Transportation-Warehousing, Wholesale and Arts-Entertainment.



Clay County Growth: Employment

Employment Change by Industry 2019-2023
Clay County vs. U.S.



Economic Summary

- The Macro-economy is normalizing...
- But there have been some shifts (transportation, manufacturing, professional services).
- The Kansas City Metro has been well positioned to take advantage of growth in two of these three.
- Clay County in particular, has led the way in transportation and manufacturing employment growth.
- There has been a great deal of manufacturing investment in the U.S. so strength in this sector suggests a strong future.

Challenges

- Professional – Business Services in Kansas City
- No Growth Economics
 - Workforce
 - Traded and Local
- Automation and A.I.