



Missouri's Making Improvements, but Still Trailing

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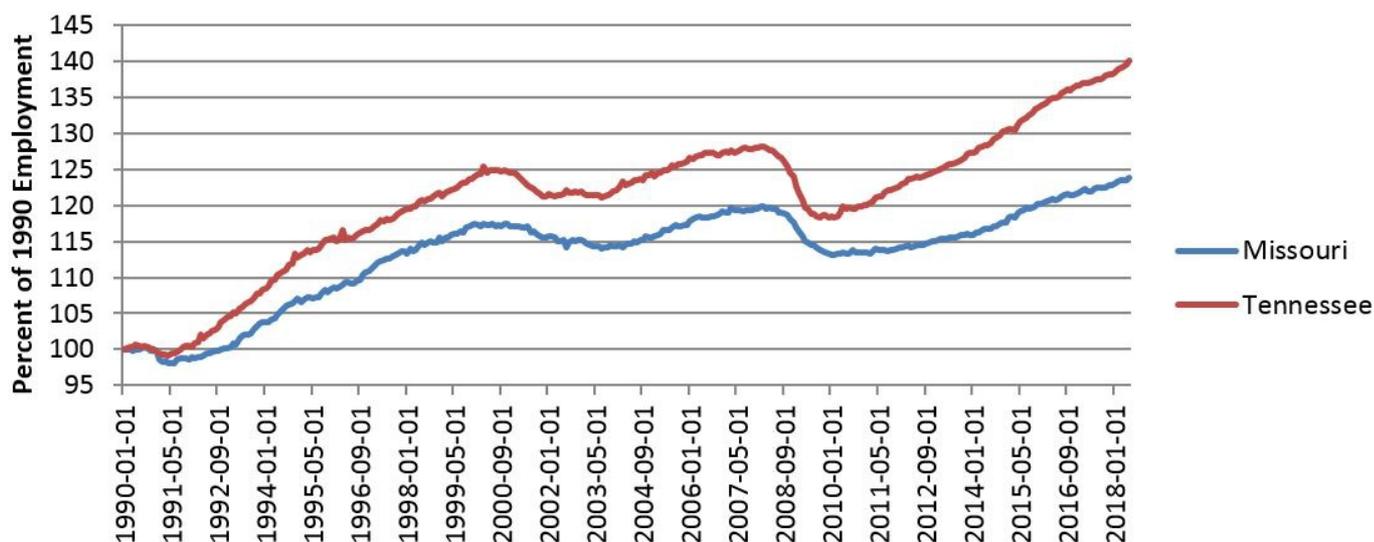
By: William Magee

The last few months have been good for the economy. The benefits of the recent federal tax cuts appear to be taking effect, resulting in a [4.1% national GDP growth](#) for the second quarter of 2018—led by increased consumption and exports—and a [4.0% unemployment rate](#).

Based on the Bureau of Labor Statistics' [June data](#) for Missouri, there is good news for our state, too. Our unemployment rate ticked down to 3.5% from 3.6% in May, which was already down from 3.7% in January. Missouri is now half a percentage point below the national unemployment rate. Additionally, Missouri's labor force saw an increase of 8,000 people in just the last month. These data might suggest that an increasing number of Missourians are interested in working, and they are successfully finding jobs.

These statistics do not tell the whole story, however. Historically, Missouri is one of [the slowest growing states](#) in the nation. Compared to Tennessee, a demographically similar state, Missouri is still underperforming despite having similar unemployment rates. When looking at the growth in employment, Tennessee trumps Missouri. The figure below displays total employment as a percentage of 1990 employment. Even with a good last few months, Missouri lags behind Tennessee.

Monthly Employment as a Percent of 1990 Employment



With similar demographics and access to resources, it should be possible for Missouri to experience Tennessee’s level of growth. [As we discussed before](#), Tennessee’s improved performance might be related to its education and workforce development initiatives or lower tax burdens. Missouri has been heading in the right direction in recent months—but should we be content, or should we examine whether Missouri could benefit from adopting the policies that have helped Tennessee’s growth outpace ours?

About the Author



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William Magee lives in Affton, Missouri, and joined the Show-Me Institute in 2018.

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