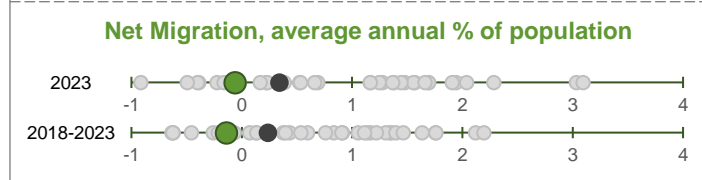
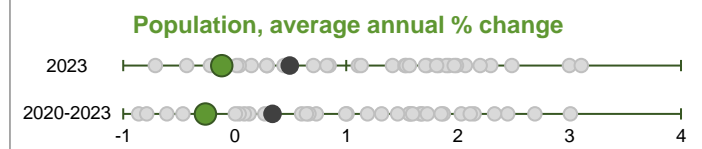
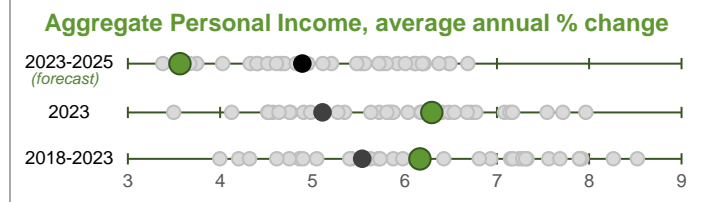
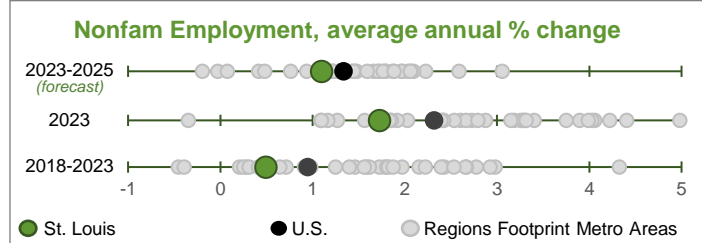


Overview: The pace of household growth and business formation in St. Louis, despite featuring relatively low housing costs and corporate tax rates, has lagged national averages. While renewed investment from major employers in the metro area will preserve the core of St. Louis' economy, growth will remain challenged by continued out-migration to markets along the Sunbelt.

Labor Market: St. Louis' economy continues to expand at a tepid pace, with job growth averaging 0.5 percent over the past five years compared to the U.S. average of 0.9 percent. Across most industry groups, annual job growth has routinely underperformed the national average over the life of the metro-area employment data, which extend back to 1990. One exception is financial services, where job growth has largely matched the U.S. average. Supported by the corporate headquarters of Edward Jones and Stifel Financial as well as a regional operations center for Citi, this industry group has accounted for a growing share of total employment over the last decade. Anchored by an extensive network of hospitals, Medicaid managed-care provider Centene, and technology service provider World Wide Technology, St. Louis' workforce is also more heavily concentrated within health care and business services, which together account for nearly one-third of all jobs in the metro area. Growth across these industry groups, however, has underperformed most large U.S. markets, with payrolls expanding at less than half of the national pace over the past five years.

Manufacturing has historically provided critical support to the local economy. Boeing, St. Louis' largest employer outside of education and health care, sponsors more than 16,000 jobs in the metro area, focused primarily on the development and production of military aircraft. The company last year announced plans to expand its facilities to build next-generation fighter jets and design the U.S. Navy's first fully-autonomous aircraft. General Motors, another top employer supporting 4,000 jobs locally, recently completed a \$1.5 billion revamp of the Wentzville assembly plant to accommodate new versions of the Chevrolet Colorado and GMC Canyon. Major investments such as these reaffirm longstanding commitments to the metro area, sustaining dozens of local parts suppliers and keeping high-paying jobs rooted in St. Louis.

Demographics: Demographics: In the five years leading up to the pandemic, total population in the St. Louis area remained roughly flat, with steady out-migration offsetting meager natural increases in population. Through the pandemic, as businesses from California and New York considered relocating to reduce overhead expenses, Missouri was less successful than markets along the Sunbelt in

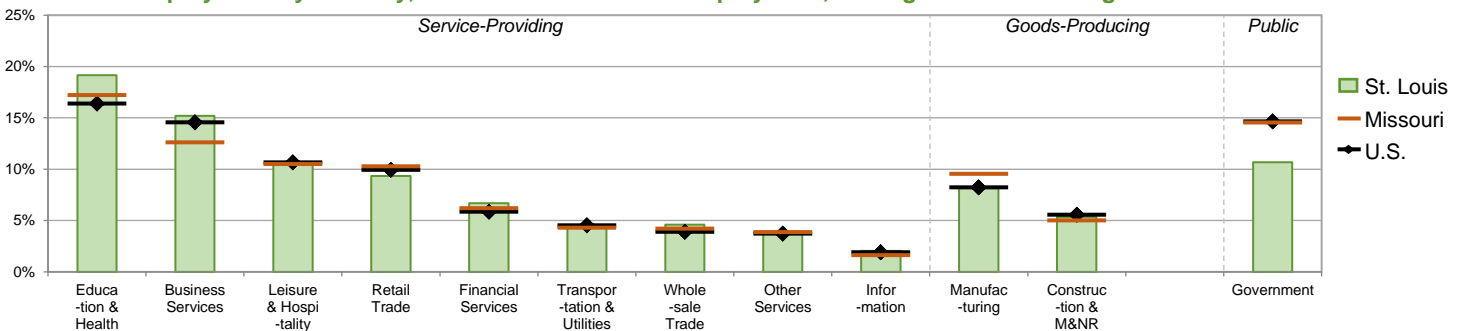


Average Household Income, 2022, Ths. \$

	First Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Fifth Quintile
St. Louis	16.6	45.3	75.0	117.1	258.6
Missouri	14.3	39.5	65.3	101.0	222.8
U.S.	15.6	44.3	75.1	118.4	274.3

3-month moving average for Unemployment Rate; Annual totals for all others
continued . . .

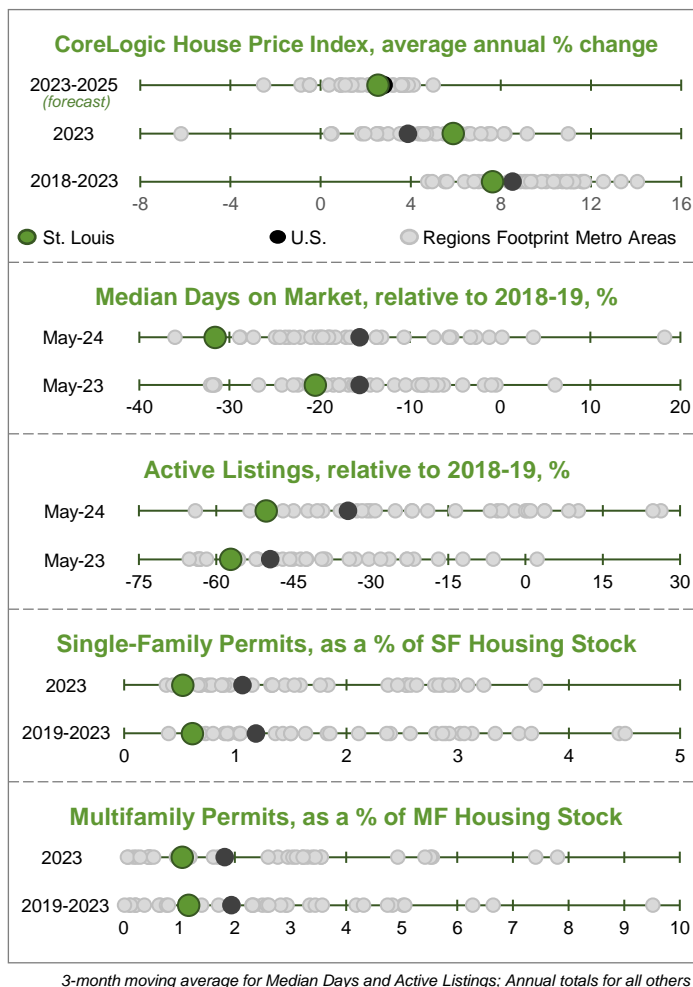
Employment by industry, share of total nonfarm employment, trailing 12-month average



Employment data for the Construction, Mining, and Natural Resources industries are published only as a combined total for the St. Louis metro area. Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Regions Financial Economics Division. Forecast as of July, 2024.

attracting business migration. Though the state features one of the lowest corporate tax rates in the U.S., employers largely turned to metro areas with stronger underlying population growth to fulfill staffing needs and facilitate future expansion. For states such as Florida and Texas, the influx of businesses – primarily within technology, finance, and professional services – not only brought high-earning workers to the area but also strengthened demand for other local services across health care, retail, and leisure and hospitality. St. Louis, by comparison, experienced outright declines in population between 2020 and 2023 under the weight of continued out-migration, with the largest shares of residents leaving for the same Sunbelt markets. Continued outflows pose significant downside risk to the metro area and contribute to our expectation that the pace of job growth will run below the national average.

Housing: Over the past five years, residential construction as a share of the existing housing stock registered 0.7 percent, which fell short of the 1.4 percent national average but was faster than household growth in the metro area. For several Sunbelt markets, household formation overpowered the pace of new construction over this period, leading to exceptionally tight market inventories and a rapid pace of house price appreciation. With better balance in the market, housing costs in St. Louis rose at a more measured pace, keeping median house prices and market rents in the bottom 10 among the 54 U.S. markets with populations of one million or more. Greater relative affordability has helped homeownership rates remain well above the U.S. average and kept a larger share of the local population engaged in the housing market through the rise in mortgage interest rates in recent years. For instance, total home sales in St. Louis declined 17 percent in 2023, settling at a level that was 11 percent below the 2018-2019 average – smaller than comparisons at the national level, which were each down 23 percent. While the pace of house price appreciation topped the U.S. average last year, St. Louis will struggle to maintain its recent outperformance without stronger demographic trends to support demand for housing.



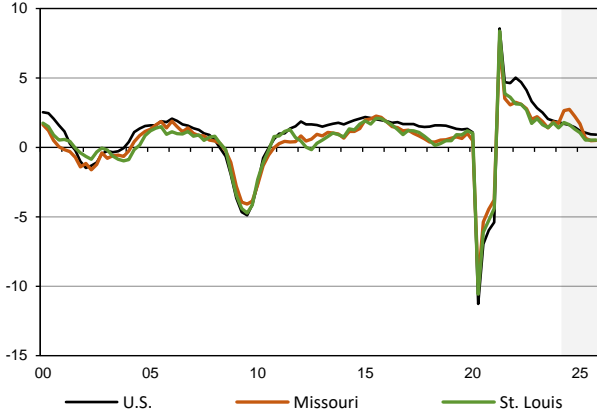
Residential Sales and Construction	2017	2018	2019	2020	2021	2022	2023	2023 ytd*	2024 ytd*
Existing Home Sales, ths. units	62.4	64.1	63.6	66.7	67.6	59.2	52.8	14.9	15.8
New Home Sales, ths. units	3.7	3.2	3.3	3.7	3.5	2.6	2.1	0.7	0.6
Single-Family Permits, ths. units	5.6	5.2	5.2	5.7	5.7	4.7	4.6	1.8	2.1
Multifamily Permits, ths. units	1.7	2.1	1.9	2.1	2.6	4.4	2.5	1.5	0.5

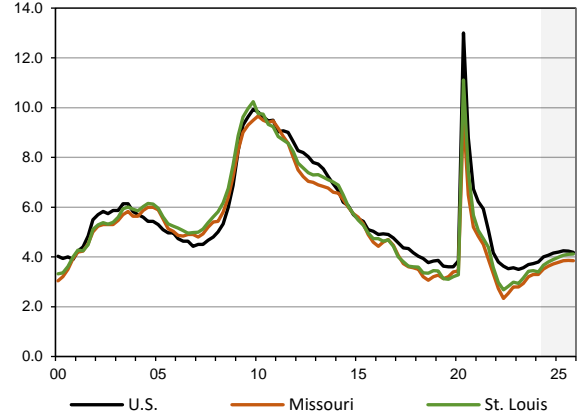
	St. Louis			Missouri			U.S.		
Housing Characteristics	2009	2016	2022	2009	2016	2022	2009	2016	2022
Occupied Housing Units, mil.	1.092	1.107	1.146	2.322	2.372	2.458	112.611	117.716	125.736
Homeownership rate, %	72.4	69.0	69.8	70.3	66.8	67.6	66.9	63.6	64.8
Occupied Single-Family Units, mil.	0.823	0.840	0.874	1.755	1.789	1.862	77.643	80.973	86.522
% renter-occupied	11.3	15.1	14.3	15.2	18.8	17.5	15.2	18.4	16.6
Occupied Multifamily Units, mil.	0.228	0.232	0.240	0.422	0.447	0.476	27.884	29.929	32.528
% of total occupied units	20.9	21.0	20.9	18.2	18.9	19.4	24.8	25.4	25.9
Demographics	2003	2013	2023	2003	2013	2023	2003	2013	2023
Population, mil.	2.711	2.800	2.797	5.709	6.043	6.196	290.108	316.060	334.915
10-year cumulative growth, %	4.7	3.3	-0.1	9.4	5.8	2.5	13.1	8.9	6.0
15-24 age cohort share, %	13.7	13.1	12.1	14.4	13.8	13.2	14.3	13.9	13.1
25-44 age cohort share, %	28.3	25.8	26.6	27.5	25.3	26.0	28.7	26.4	26.8
45-64 age cohort share, %	24.2	27.7	25.1	24.1	26.7	24.4	23.7	26.3	24.5
65+ age cohort share, %	12.8	14.4	18.6	13.4	15.0	18.3	12.4	14.1	17.7

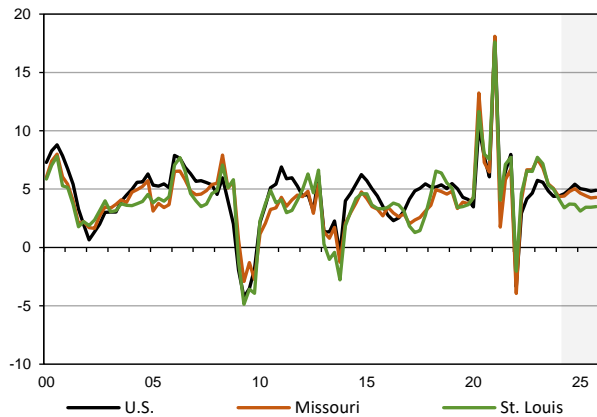
Shading relative to U.S.

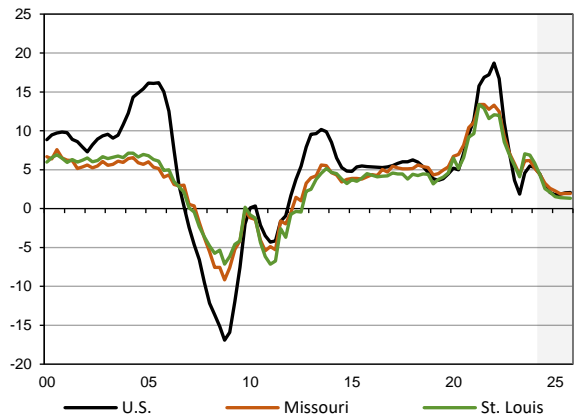
* Year-to-date through April for home sales; year-to-date through May for building permits.

Sources: CoreLogic; Realtor.com® Economic Research; U.S. Census Bureau; Regions Financial Economics Division.


REGIONS
Total Nonfarm Employment, % change year ago


REGIONS
Unemployment Rate, %


REGIONS
Total Personal Income, % change year ago


REGIONS
CoreLogic House Price Index, % change year ago


Key Economic Indicators	2017	2018	2019	2020	2021	2022	2023	2024 (F)	2025 (F)
Total Employment, ths.	1,389.5	1,394.3	1,406.5	1,332.8	1,368.4	1,404.7	1,428.9	1,450.8	1,460.3
Annual % change	1.1	0.3	0.9	-5.2	2.7	2.7	1.7	1.5	0.7
Missouri, annual % change	0.9	0.5	0.8	-4.8	2.5	2.8	1.8	2.3	0.8
U.S., annual % change	1.6	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	1.0
Unemployment Rate, %	3.8	3.4	3.2	6.9	4.4	2.9	3.2	3.7	4.1
Missouri, %	3.7	3.2	3.3	6.2	4.1	2.6	3.1	3.5	3.8
U.S., %	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.0	4.2
Personal Income, \$ bil.	145.5	153.9	159.9	172.5	188.0	195.2	207.5	215.3	222.6
Annual % change	1.8	5.8	3.9	7.9	9.0	3.9	6.3	3.7	3.4
Missouri, annual % change	2.5	4.5	3.9	7.8	7.9	3.2	6.2	4.6	4.4
U.S., annual % change	4.9	5.2	4.7	6.9	9.1	2.0	5.1	4.9	4.9
CoreLogic HPI, annual % change	4.3	4.4	3.9	6.9	11.9	9.8	5.9	3.7	1.4
Missouri, annual % change	5.2	5.4	4.8	8.1	12.7	10.5	5.6	3.8	2.0
U.S., annual % change	5.8	5.5	3.9	6.7	15.4	13.2	3.9	3.7	1.9

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; CoreLogic; Regions Financial Economics Division. Forecast as of July, 2024.

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