West Central Workforce Investment Area
RETAIL TRADE ANALYSIS

Retail Pull Factors

Retail trade is the sale and distribution of merchandise to consumers through either a store location or non-store location such as internet, phone, catalog or advertising.

Retail trade is one of the key economic indicators of regional economies. The retail strength of a county is a function of customer base served, the buying power of the customer base and quality of the retail environment. Retail pull factor measures the retail sales captured by a county across Missouri.

In 2007, one county in the West Central Workforce Investment Area had a retail trade pull factor greater than 1 indicating either a gain in customers from other counties or that residents spent more than the state average. On the contrary, 12 counties had a pull factor below 1 indicating residents either spent less than their state counterparts or residents purchased more goods outside their county.

Retail Trade Sectors

- Apparel and Accessories
- Automotive dealers
- Gasoline service stations
- Building materials,
- Hardware and garden supplies
- Eating and Drinking Places
- Home furniture and furnishings
- Food
- General Merchandise
- Miscellaneous retail

Retail Industry Facts

Employment

11,315

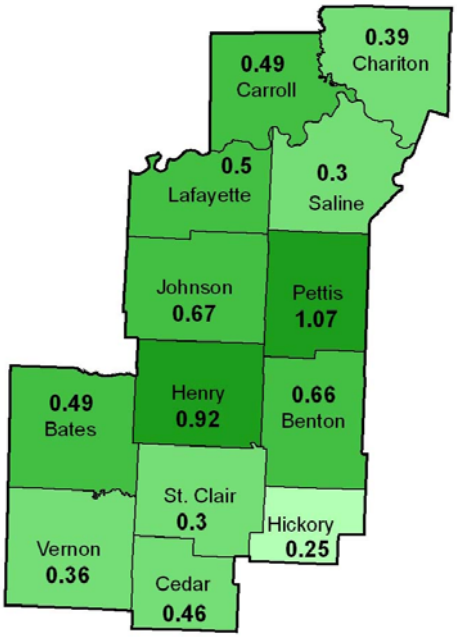
Number of Industries

968

Average Wage

$19,689

2007 Retail Trade Pull Factor



Retail trade has been particularly strong in counties along state highways. Pettis County had the highest pull factor (1.07), followed by Henry (0.92) and Johnson (0.67).

Conversely, 12 counties lost retail customers. The counties that lost customers or spent less than the state average were located in the regions surrounding the regional trade centers. Hickory County had the lowest pull factor (0.25), followed by Saline (0.30) and St. Clair (0.30).

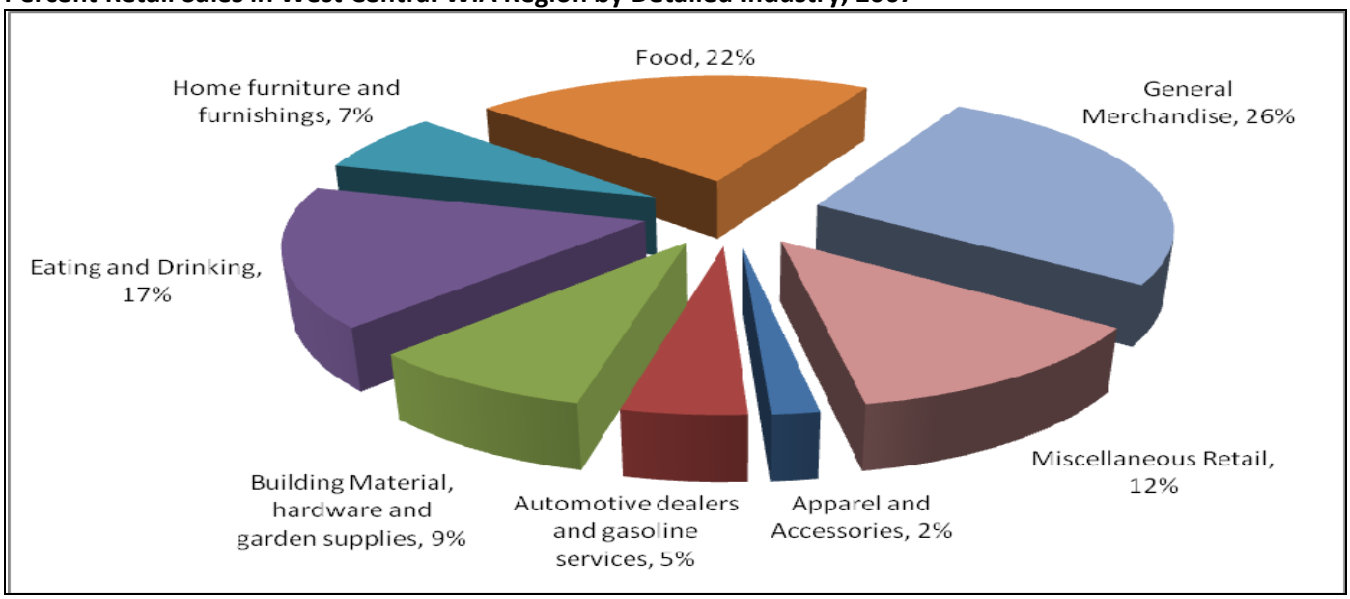
Pettis County captured the most retail sales and gained the most retail customers, besides holding the highest market share. Overall, retail customers in West Central region spent more than $1.3 billion in retail purchases in 2007, capturing nearly 2.9% of the market share in Missouri. The retail sales pull factor rankings for the counties in West Central region are as follows:

Retail Sales, Pull Factor, Trade Area Capture (TAC) and Market Share (MS) – West Central WIA Region, 2007

COUNTY	CTPF	TAC	MS	RETAIL SALES
PETTIS COUNTY	1.07	43,323	0.75%	$337,894,469
HENRY COUNTY	0.92	20,369	0.35%	$158,864,071
JOHNSON COUNTY	0.67	34,340	0.59%	$267,827,350
BENTON COUNTY	0.66	12,139	0.21%	$94,678,682
LAFAYETTE COUNTY	0.50	15,975	0.28%	$124,598,356
BATES COUNTY	0.49	8,214	0.14%	$64,061,761
CARROLL COUNTY	0.49	4,707	0.08%	$36,712,279
CEDAR COUNTY	0.46	6,231	0.11%	$48,596,893
CHARITON COUNTY	0.39	3,004	0.05%	$23,426,305
VERNON COUNTY	0.36	6,866	0.12%	$53,553,414
ST CLAIR COUNTY	0.30	2,818	0.05%	$21,978,214
SALINE COUNTY	0.30	6,581	0.11%	$51,323,947
HICKORY COUNTY	0.25	2,267	0.04%	$17,679,073
West Central WIA Total		**166,833**	**2.88%**	**$1,301,194,813**

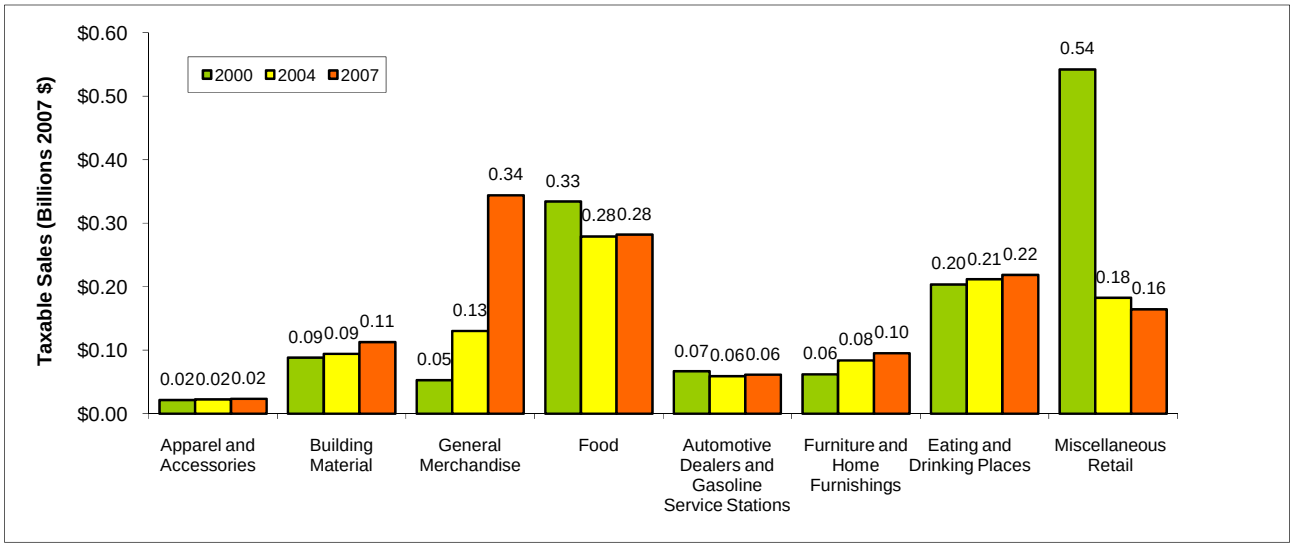
In 2007, in terms of percentage of retail sales by industry, a majority of retail sales were in the general merchandise sector (26%), followed by food (22%), eating and drinking (17%), miscellaneous retail (12%) and building materials (9%). Furniture, automotive dealers and apparel accounted for the balance of retail sales (14%) in the West Central region.

Percent Retail Sales in West Central WIA Region by Detailed Industry, 2007

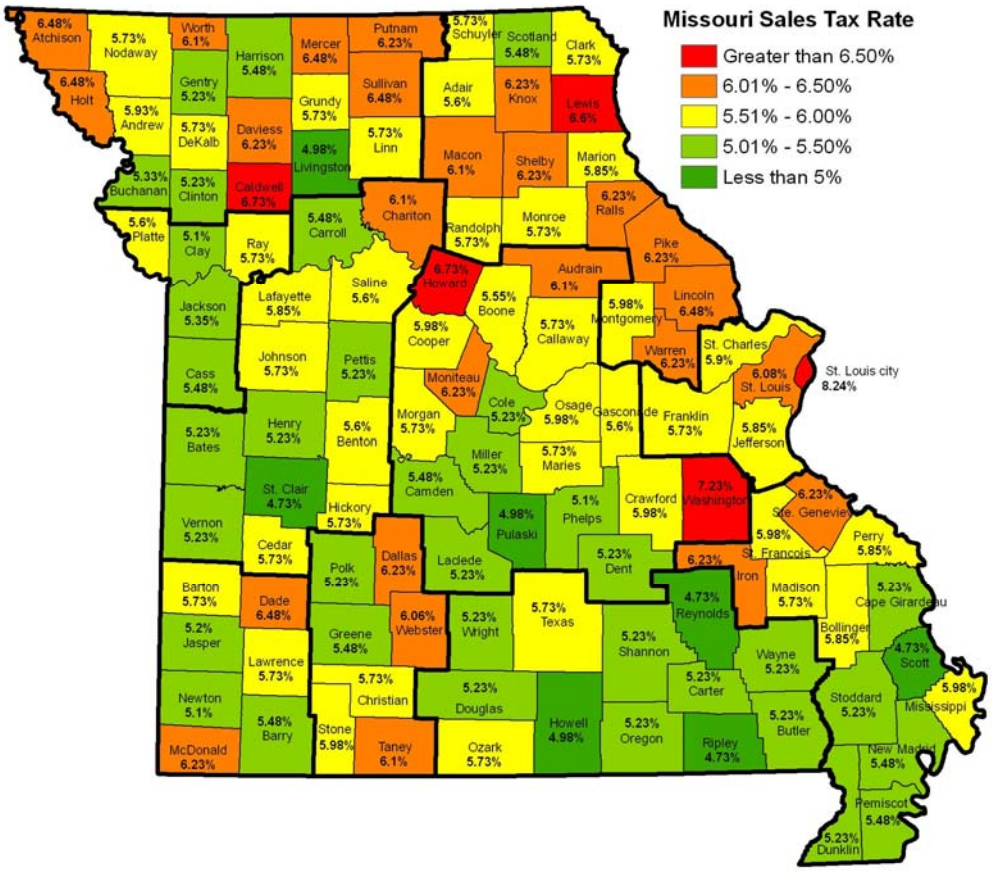


In terms of retail sales trends, the greatest increase in seven years was in general merchandise, and the steepest decline was in miscellaneous retail sectors. Consumer spending on apparel stayed roughly about the same but retail expenditure on food away from home, building materials, and furniture increased. Retail expenditure on food and automotives declined over the years.

Comparison of Taxable Sales by Detailed Industry in West Central WIA Region, 2000, 2004 and 2007



Missouri Sales Tax Rates



The map above presents the combined state and county sales tax rate excluding the local sales taxes. Sales tax rates in Missouri range from 4.73% to 8.24%. Within the West Central region, Chariton County has the highest sales tax rate (6.10%) followed by Lafayette (5.85%) and Cedar (5.73%).

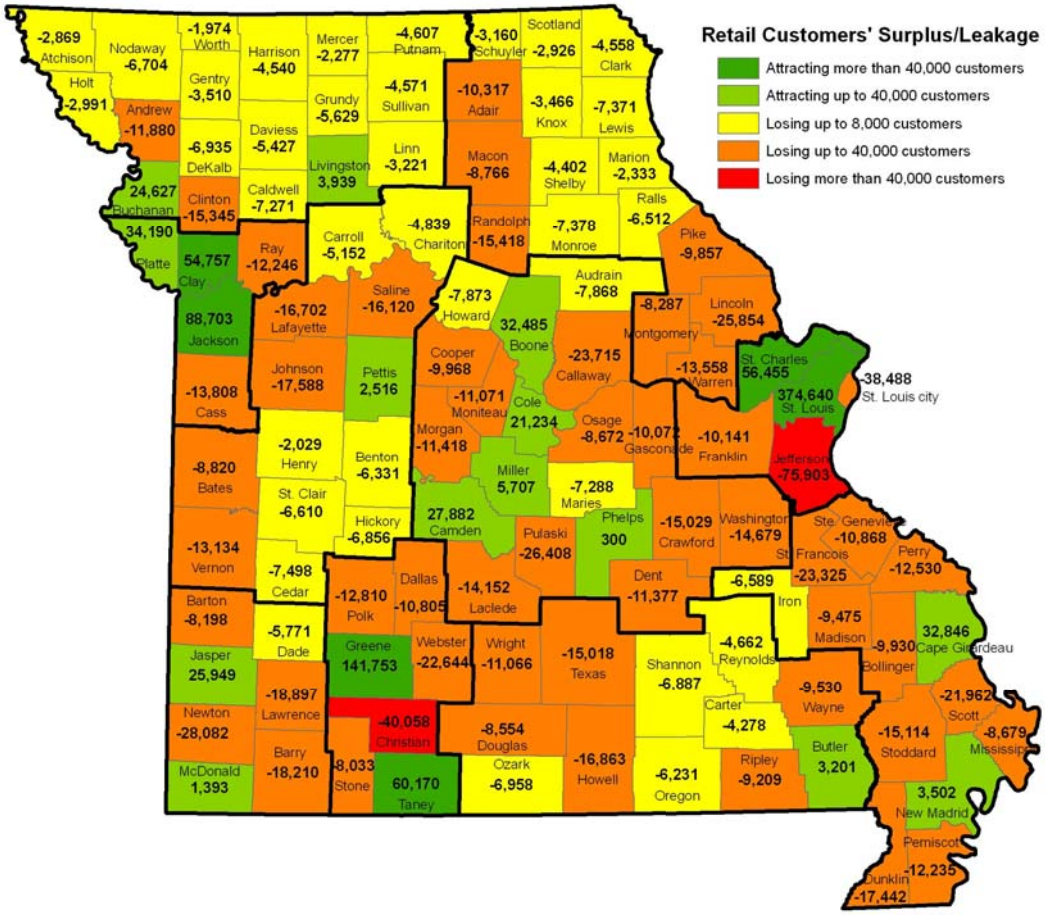
On the contrary, St. Clair County has the lowest sales tax rate (4.73%), followed by Vernon, Pettis and Bates (5.23%). Lower sales taxes may attract retail customers as evident in counties like Pettis and Vernon.

The average sales tax rate for Missouri is 5.72%. Five counties in the West Central region have a retail sales tax rate above the state average and eight counties have a sales tax rate below the state average.

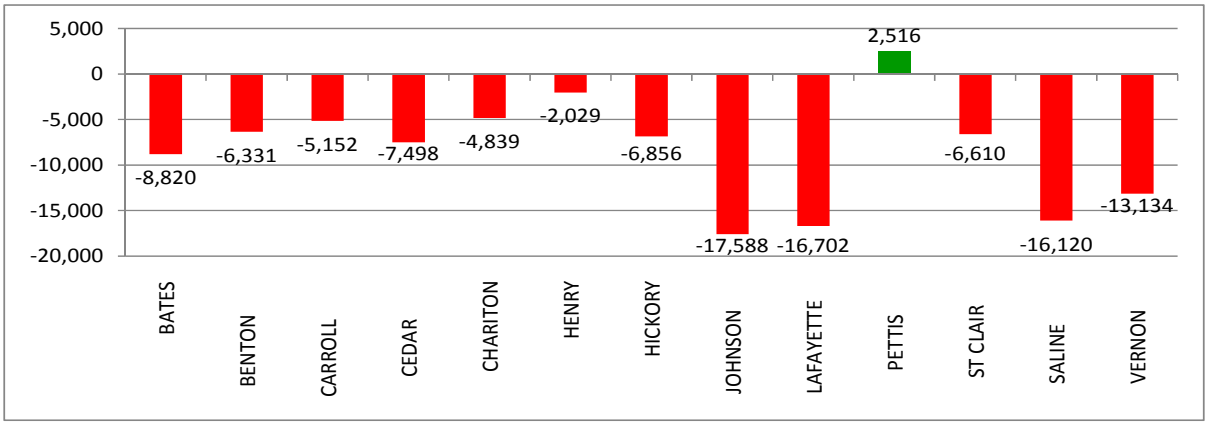
COUNTY	SALES TAX
CHARITON	6.10%
LAFAYETTE	5.85%
CEDAR	5.73%
HICKORY	5.73%
JOHNSON	5.73%
BENTON	5.60%
SALINE	5.60%
CARROLL	5.48%
BATES	5.23%
HENRY	5.23%
PETTIS	5.23%
VERNON	5.23%
ST. CLAIR	4.73%

Source: Missouri Department of Revenue – Sales Tax Rate Tables

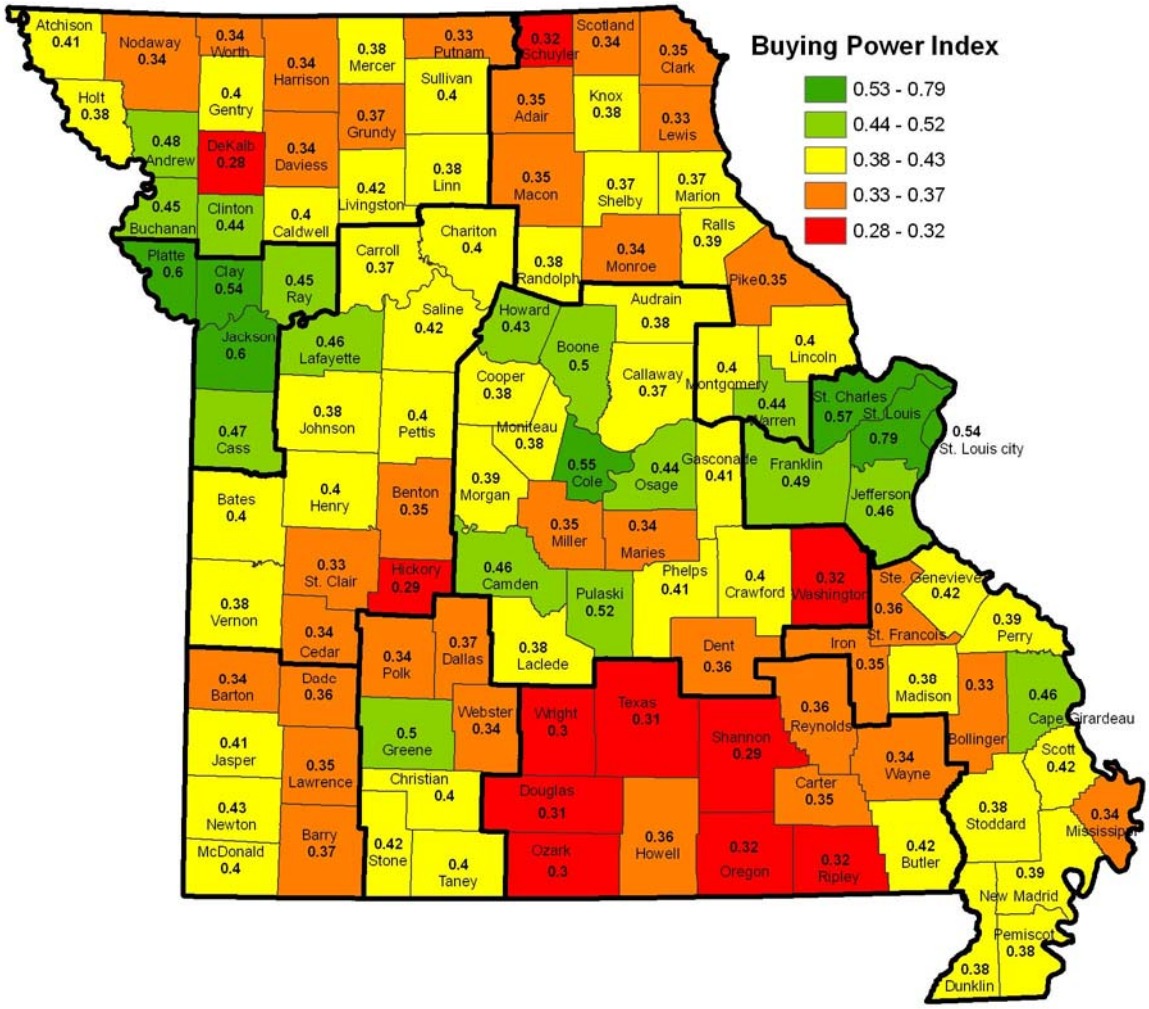
Commuting Patterns of Retail Customers



Retail customers travel across county borders to purchase goods and services. The map above illustrates the number of retail customers either coming in to a county or leaving a county for retail purchases. In the West Central region as shown in the graph below, Pettis County displayed a net in-commuting pattern whereas all the other counties display a net out-commuting pattern.



Buying Power Index



The buying power index is a measure of the capability of the retail customers living in that county to buy retail goods. The higher the index, the greater the ability to buy retail goods and support retail activity in the region. In West Central region, the buying power of retail customers in Lafayette County is relatively higher than the rest of the counties in the region. The buying power of retail customers in Hickory, Cedar, St. Clair and Benton is relatively lower than the rest of the counties in the region.

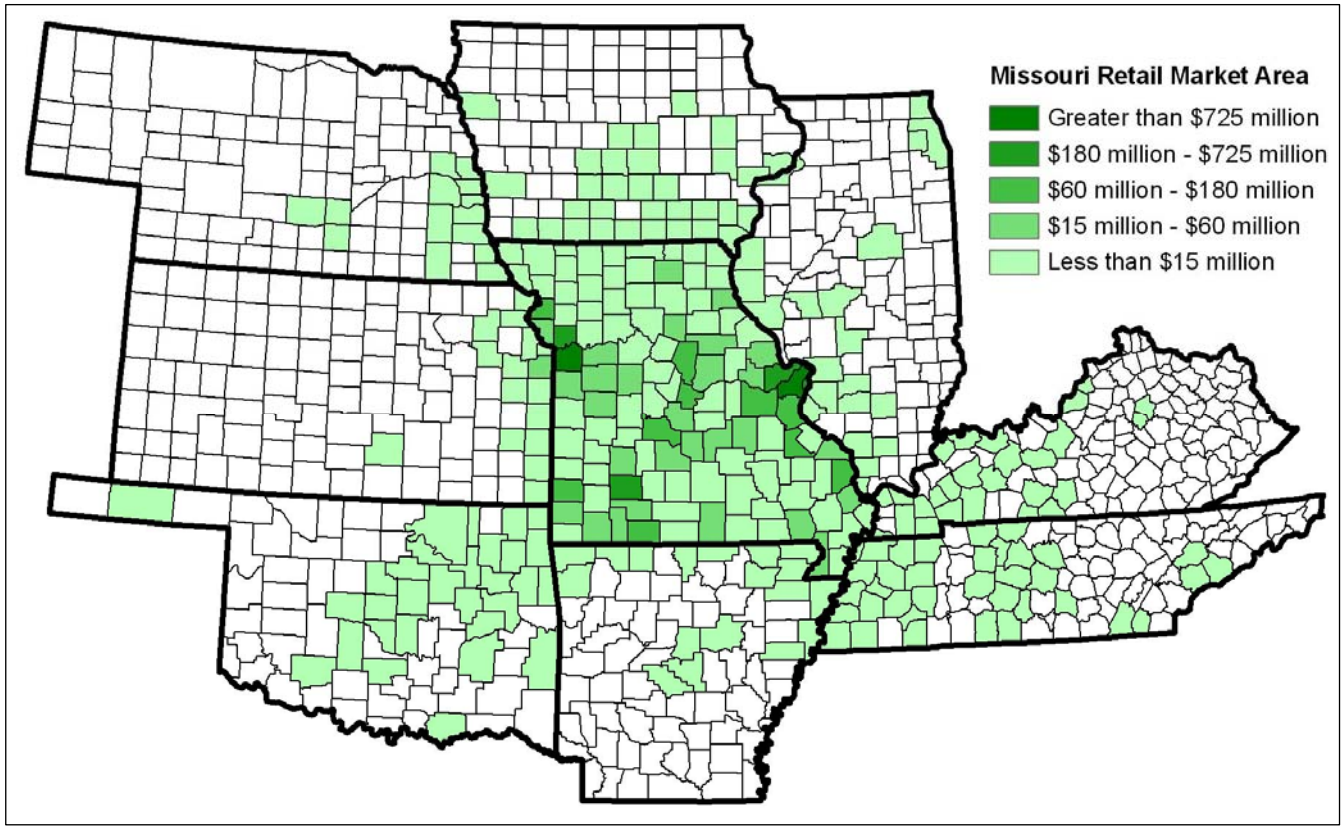
The buying power index is calculated by the following equation:

$$BPI = \frac{(2^* \text{ Population \%}) + (3^* \text{Retail Sales \%}) + (5^* \text{Per capita income \%})}{10 \text{ (sum of the weights)}}$$

Where Population % is the percentage of county population to that of the State of Missouri.
Retail Sales % is the percentage of retail sales in the county to that of the State of Missouri.
Per capita income % is the percentage of per capita income in the county to that of the State of Missouri.

Retail Market Area

Missouri Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

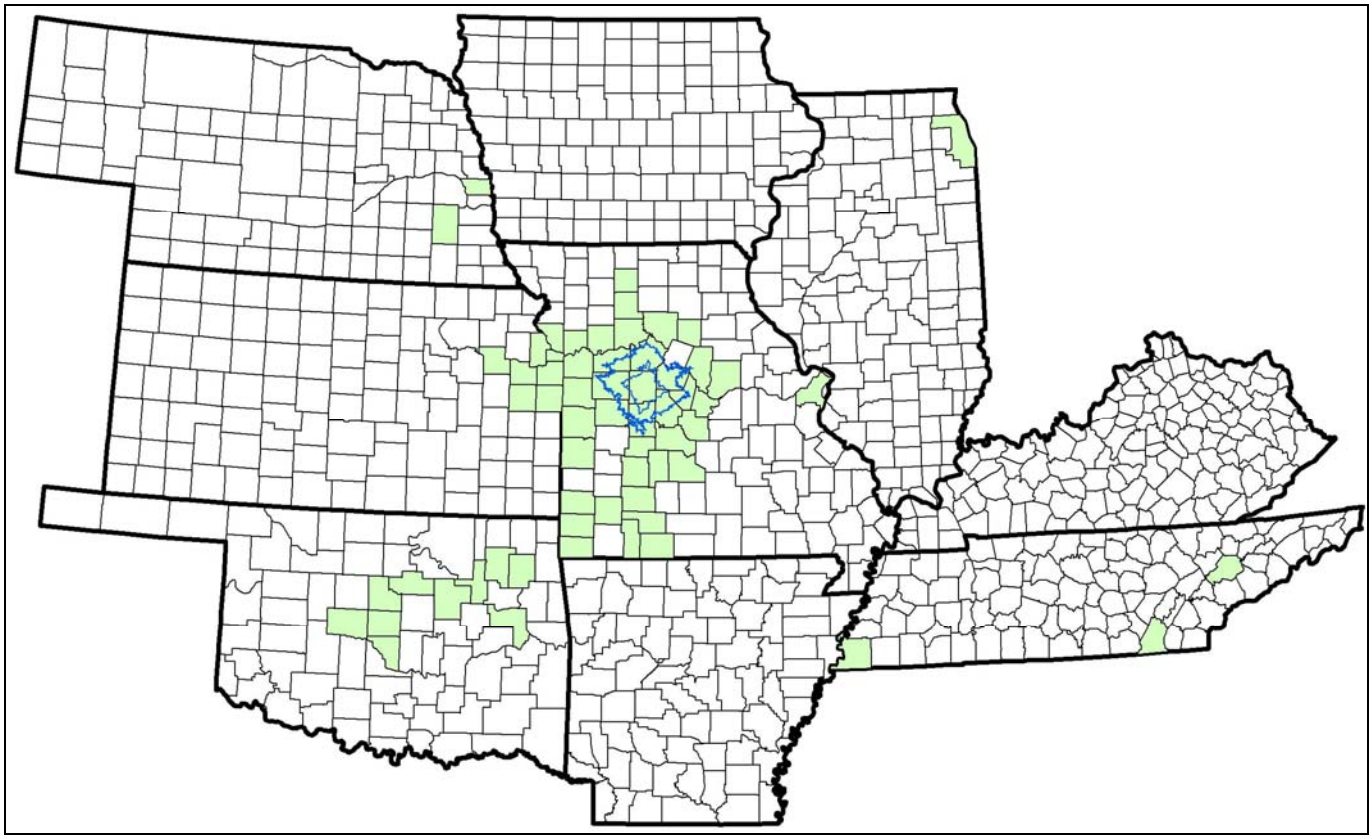
The map above shows the Missouri retail market area from which retail stores and consumers purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Missouri retail customers purchased over $5.8 billion in apparel, furniture, general merchandise and miscellaneous retail goods. The Missouri retail market includes all of Missouri and extends to all surrounding states. The volume and value of purchases by major metropolitan areas like Kansas City, St. Louis, Springfield, and St. Joseph were relatively higher than the rest of Missouri.

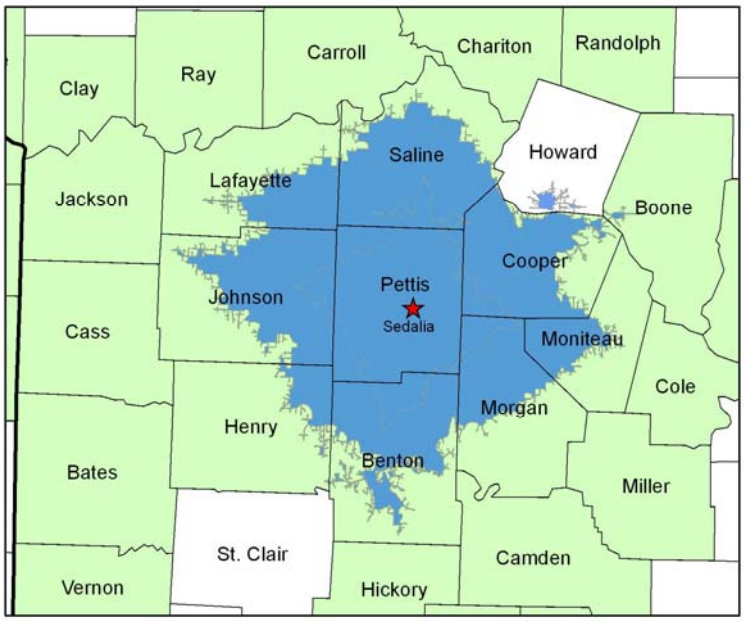
While the market area for general merchandise and miscellaneous retail was relatively widespread, the market area for apparel and furniture was relatively limited.

Within the West Central region, a majority of Missouri retail goods were purchased by retail stores and consumers in Pettis, Lafayette, Johnson and Henry Counties.

Pettis County Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

Pettis County has the highest pull factor in the West Central region. The map above shows the retail market area for Pettis County from which retail customers and stores purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Pettis County retail customers predominantly resided in Pettis, Lafayette, Saline, Johnson, Benton, Cooper, Moniteau, Morgan and Henry Counties. Some retail goods were purchased from as far as Chicago. The blue boundary indicates the local market from which customers purchase retail goods and services within an hour of driving distance from Sedalia.