

Missouri's New Business Formations 2008

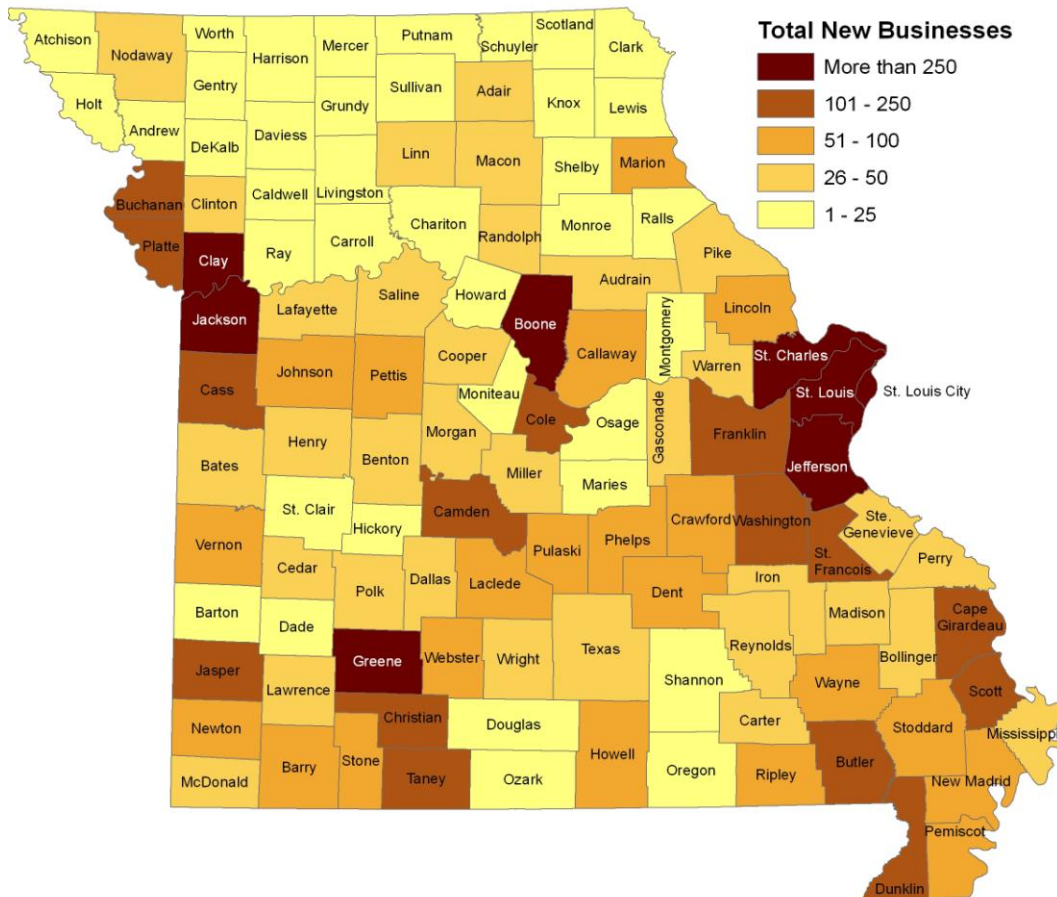
New businesses bring industry diversity and job growth to a region and are a major engine for economic growth. Research has shown a positive relationship between levels of entrepreneurial activity and economic growth across countries.¹

The Missouri Economic Research and Information Center (MERIC) monitors new business formations through the use of its business indicator. The indicator measures unemployment insurance accounts established in the state. This allows MERIC to gauge the number of new Missouri businesses by industry as well as by county.

In 2008, Missouri had 14,259 new business formations, a decrease from the 2007 total of 14,842.

Every county in Missouri had new business formations in 2008. The five counties with the highest number were St. Louis County, Jackson, St. Charles, St. Louis City, and Greene. Counties encompassing the metro areas of Kansas City, St. Louis, Columbia, and Springfield also had high new business formation counts.

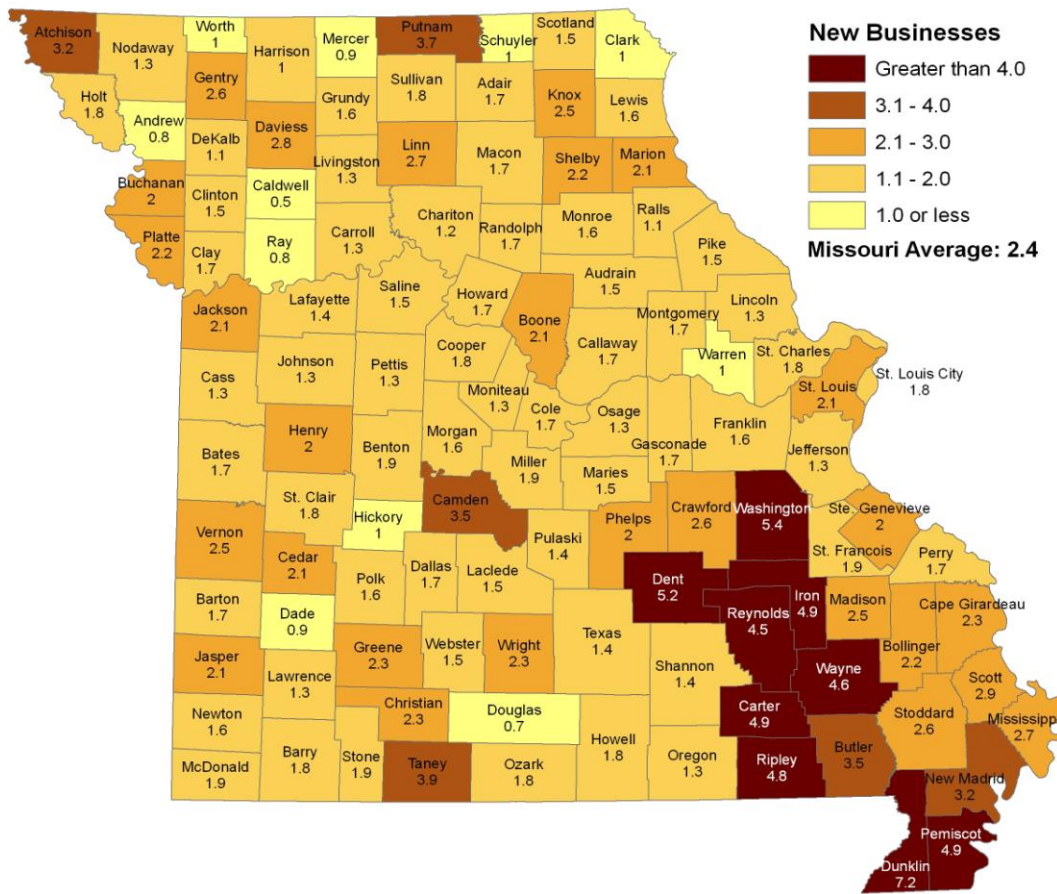
Total New Businesses in Missouri 2008



Total business formation tends to be highest in urban areas that have high population density. The map below shows new business starts per 1,000 people for each county in Missouri. This map is useful because it allows business growth to be standardized by population, making it possible to identify rural counties with high business growth.

This map shows that counties in the southeastern region of the state experienced high business formation compared to the average new business formation rate for Missouri of 2.4 new businesses per 1,000 population in 2008.ⁱⁱ Tourist areas such as Taney County (Branson) and Camden County (Lake of the Ozarks) also experienced high business growth relative to population in the area.

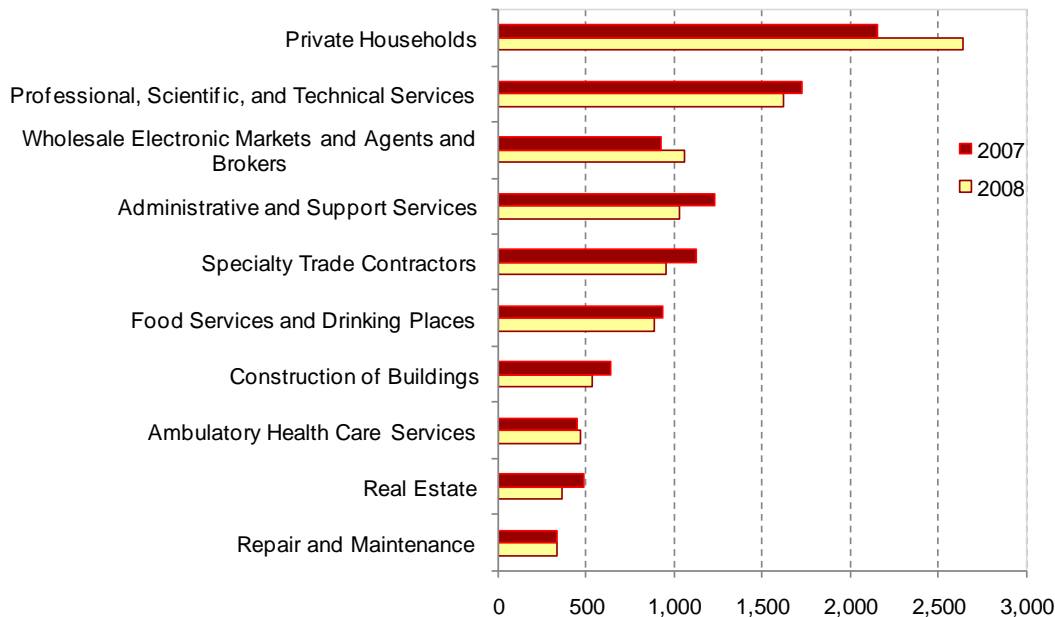
New Businesses in Missouri Counties Per 1,000 Population, 2008



Missouri's new business growth was concentrated in Private Household Employers (18.5%), Professional and Technical Services (11.4%), Wholesale Electronic Markets (7.4%), Administrative and Support Services (7.2%), and Specialty Trade Contractors (6.7%). These industries and their definitions are listed below.

- **Private Households:** Private households engage in employing workers in activities concerned with the operation of households. This includes households that employ cooks, butlers, nannies, housekeepers, and gardeners.
- **Professional and Technical Services:** Businesses highly dependent on technical skills. Examples include law firms, accounting firms, architectural and engineering firms, and business consulting.
- **Wholesale Electronic Markets:** Establishments whose primary activity is arranging for the sale of goods owned by others, generally on a fee or commission basis. This includes agents and brokers as well as business to business electronic markets that facilitate wholesale trade.
- **Administrative and Support Services:** Establishments engaged in activities that support the day-to-day operations of other organizations such as cleaning services, general management, and personnel administration.
- **Specialty Trade Contractors:** Establishments whose primary activity is performing specific activities (e.g., pouring concrete, site preparation, plumbing, painting, and electrical work) involved in building construction.

Missouri's Top Ten Industries for New Business



New Businesses in Missouri by Major Economic Sector 2008

Sector	New Businesses	Percent
Agriculture, Forestry, Fishing & Hunting	79	0.6%
Mining	23	0.2%
Utilities	4	0.0%
Construction	1,568	11.0%
Manufacturing	319	2.2%
Wholesale Trade	1,301	9.1%
Retail Trade	931	6.5%
Transportation and Warehousing	529	3.7%
Information	120	0.8%
Finance, Insurance & Real Estate	1,056	7.4%
Services	8,176	57.3%
Public Administration	9	0.1%
Unknown	144	1.0%
Total	14,259	--

**New Business Formations by County
2008**

Area	New Businesses	Area	New Businesses	Area	New Businesses
Missouri	14,259	Greene	605	Pemiscot	91
Adair	42	Grundy	16	Perry	31
Andrew	14	Harrison	9	Pettis	53
Atchison	19	Henry	45	Phelps	85
Audrain	40	Hickory	9	Pike	28
Barry	66	Holt	9	Platte	192
Barton	21	Howard	17	Polk	49
Bates	29	Howell	69	Pulaski	61
Benton	34	Iron	49	Putnam	18
Bollinger	26	Jackson	1,429	Ralls	11
Boone	317	Jasper	248	Randolph	44
Buchanan	181	Jefferson	285	Ray	19
Butler	145	Johnson	70	Reynolds	29
Caldwell	5	Knox	10	Ripley	65
Callaway	73	Laclede	53	St. Charles	632
Camden	144	Lafayette	47	St. Clair	17
Cape Girardeau	166	Lawrence	48	Ste. Genevieve	36
Carroll	13	Lewis	16	St. Francois	119
Carter	29	Lincoln	68	St. Louis	2,068
Cass	131	Linn	34	Saline	34
Cedar	29	Livingston	19	Schuyler	4
Chariton	9	McDonald	43	Scotland	7
Christian	171	Macon	27	Scott	117
Clark	7	Madison	31	Shannon	12
Clay	363	Maries	14	Shelby	14
Clinton	31	Marion	59	Stoddard	76
Cole	128	Mercer	3	Stone	60
Cooper	32	Miller	47	Sullivan	12
Crawford	63	Mississippi	37	Taney	182
Dade	7	Moniteau	20	Texas	35
Dallas	29	Monroe	15	Vernon	51
Daviess	22	Montgomery	20	Warren	31
DeKalb	13	Morgan	33	Washington	133
Dent	79	New Madrid	56	Wayne	58
Douglas	10	Newton	92	Webster	55
Dunklin	227	Nodaway	29	Worth	2
Franklin	162	Oregon	13	Wright	42
Gasconade	26	Osage	17	St. Louis City	621
Gentry	16	Ozark	17	Unassigned	2,418

Endnotes

ⁱ Reynolds, Paul D., Hay, Michael, Bygrave, William D., Camp, S. Michael, and Autio, Erkkö. *Global Entrepreneurship Monitor (GEM) 2000 Executive Report*. (Ewing Marion Kauffman Foundation, 2000). <http://www.esbri.se/gem-rapport.pdf>

ⁱⁱ Population data for calculating per 1,000 population figures uses 2008 population estimates from U.S. Census Bureau.