



Northwest 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, two counties in the Northwest Workforce Investment area had a pull factor greater than 1 indicating either a gain in customers from other states or that residents spent more than the state average. On the contrary, 16 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

Retail Industry Facts

Employment

12,448

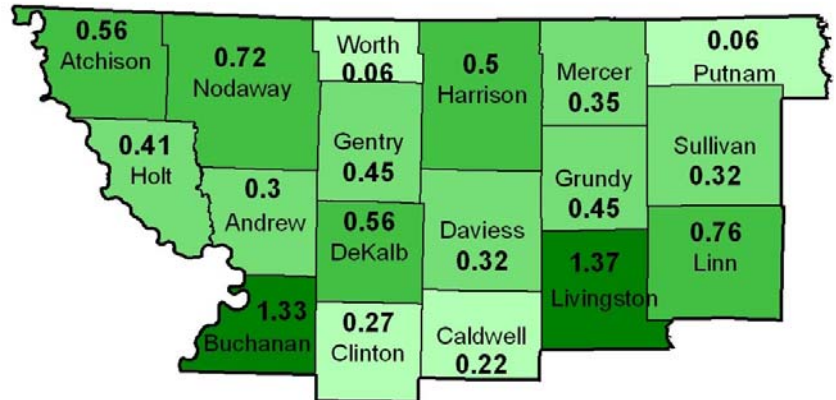
Number of Industries

903

Average Wage

\$19,974

2007 Retail Trade Pull Factor



RETAIL TRADE ANALYSIS

Retail trade has been particularly strong in St. Joseph, Chillicothe and counties along the major interstate highways. Livingston County had the highest pull factor (1.37), followed by Buchanan (1.33) and Linn (0.76).

Conversely, 16 counties lost retail customers. The counties that lost customers or spent less than the state average were located in the regions surrounding the metropolitan counties. Worth and Putnam County had the lowest pull factor (0.06), followed by Caldwell (0.22) and Clinton (0.27).

Buchanan County captured the most retail sales and gained the most retail customers, besides holding the highest market share. Overall customers in the Northwest region spent more than \$1.5 billion in retail purchases in 2007, capturing 3.37% of market share in Missouri. The retail sales rankings for the counties in the Northwest region are as follows:

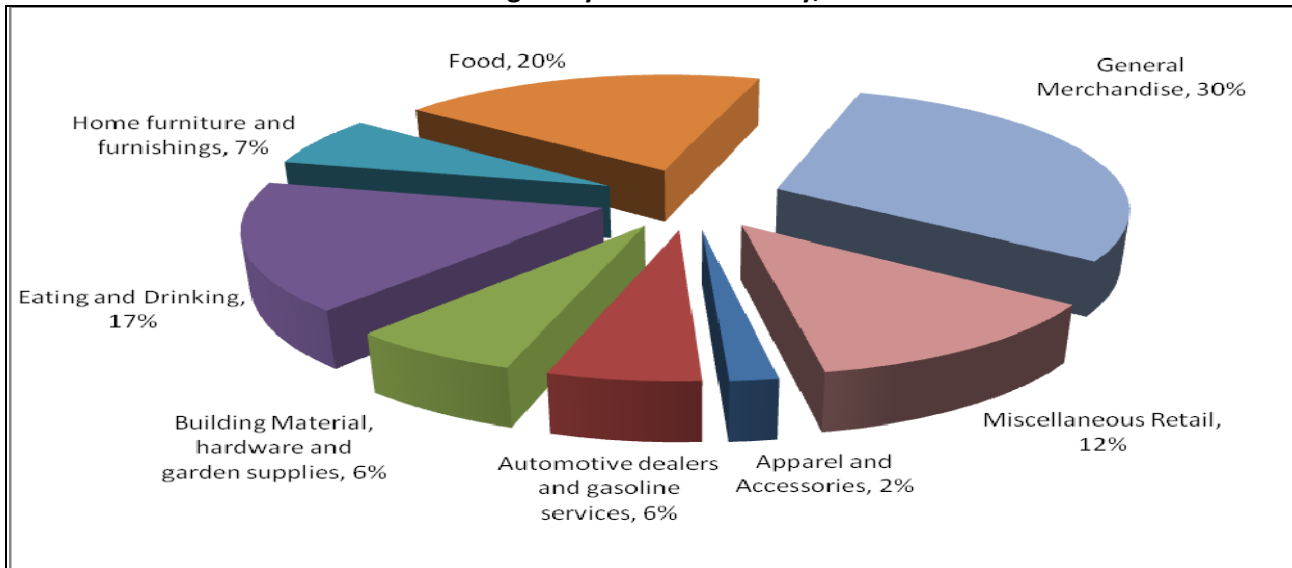
Retail Sales, Pull Factor, Trade Area Capture (TAC) and Market Share (MS) – Northwest WIA Region, 2007

COUNTY	CTPF	TAC	MS	RETAIL SALES
LIVINGSTON COUNTY	1.37	18,135	0.31%	\$141,438,215
BUCHANAN COUNTY	1.33	111,112	1.92%	\$866,604,318
LINN COUNTY	0.76	9,468	0.16%	\$73,844,904
NODAWAY COUNTY	0.72	15,416	0.27%	\$120,238,373
DEKALB COUNTY	0.56	5,299	0.09%	\$41,331,238
ATCHISON COUNTY	0.56	3,239	0.06%	\$25,264,362
HARRISON COUNTY	0.50	4,321	0.07%	\$33,700,025
GRUNDY COUNTY	0.45	4,466	0.08%	\$34,832,269
GENTRY COUNTY	0.45	2,739	0.05%	\$21,361,713
HOLT COUNTY	0.41	1,972	0.03%	\$15,377,708
MERCER COUNTY	0.35	1,230	0.02%	\$9,589,878
DAVISS COUNTY	0.32	2,536	0.04%	\$19,776,632
SULLIVAN COUNTY	0.32	2,104	0.04%	\$16,410,456
ANDREW COUNTY	0.30	4,984	0.09%	\$38,870,968
CLINTON COUNTY	0.27	5,549	0.10%	\$43,281,532
CALDWELL COUNTY	0.22	2,013	0.03%	\$15,702,207
PUTNAM COUNTY	0.06	306	0.01%	\$2,385,000
WORTH COUNTY	0.06	124	0.00%	\$970,075
Northwest WIA Total		195,013	3.37%	\$1,520,979,871

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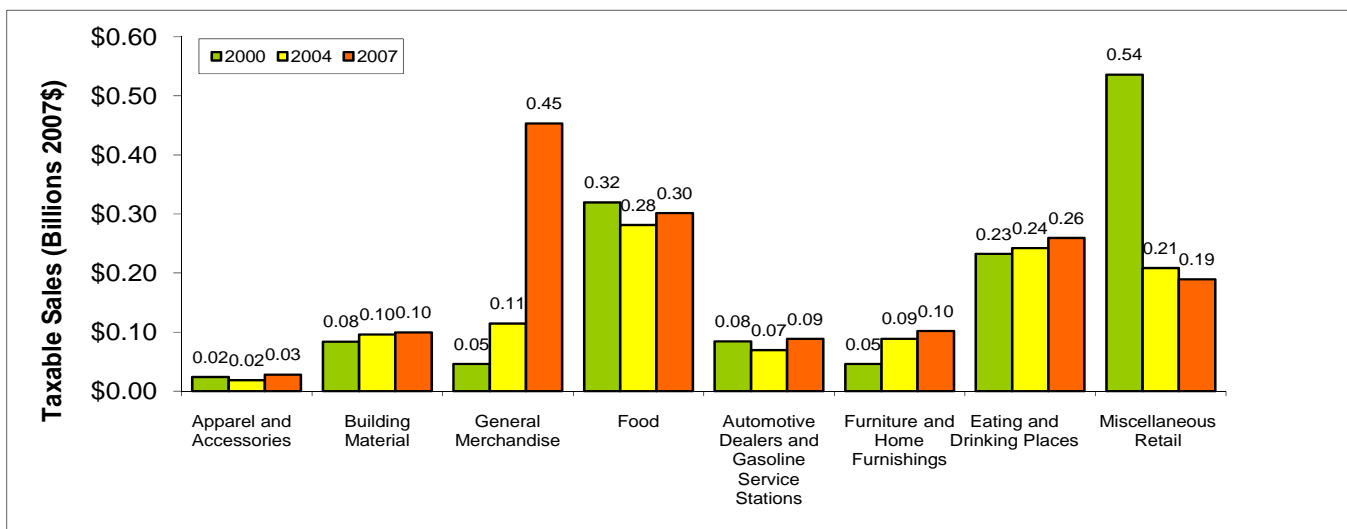
In 2007, in terms of percentage of retail sales by industry, a majority of retail sales were generated in the general merchandise (30%), followed by food (20%), eating and drinking places (17%), miscellaneous retail (12%) and furniture (7%). Automotive dealers, apparel and building materials accounted for the balance of retail sales (14%) in the Northwest region.

Percent Retail Sales in Northwest WIA Region by Detailed Industry, 2007



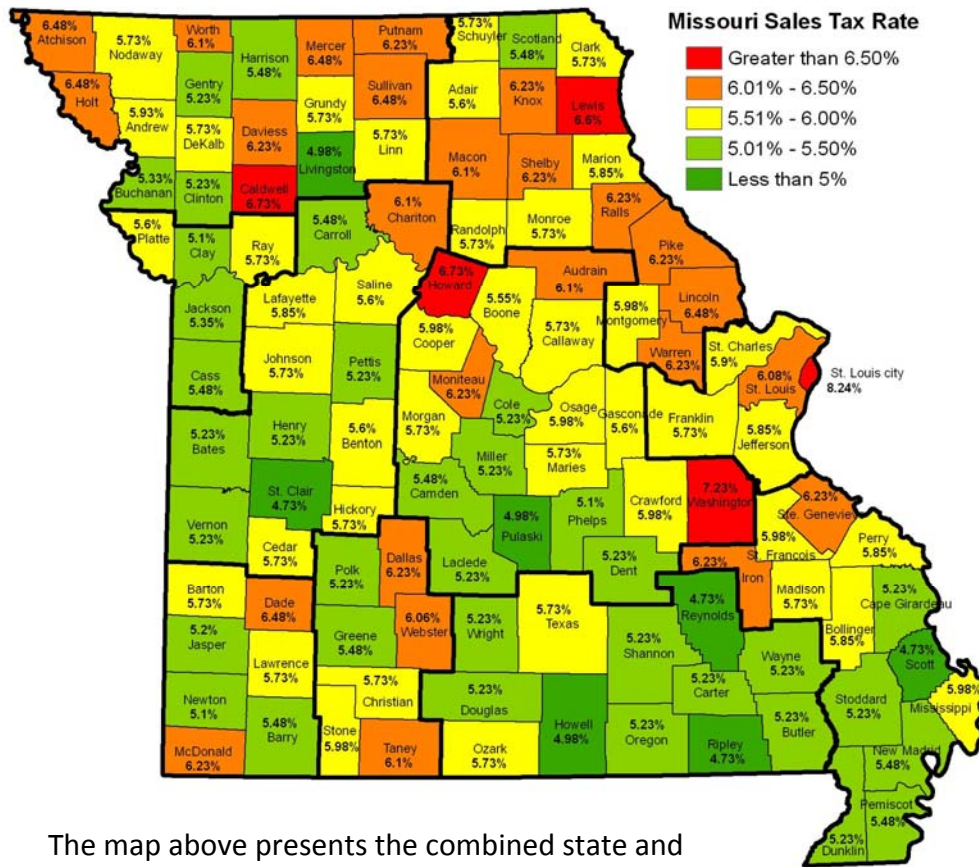
In terms of retail sales trends, the greatest increase in seven years was in general merchandise, and the steepest decline was in miscellaneous retail sectors. Consumer spending on apparel stayed roughly the same. Expenditure on automobiles, building materials, furniture and food away from home increased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

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



RETAIL TRADE ANALYSIS

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 Northwest region, Caldwell County has the highest sales tax rate (7.23%), followed by Sullivan, Mercer, Holt and Atchison at 6.48% and Putnam (6.23%).

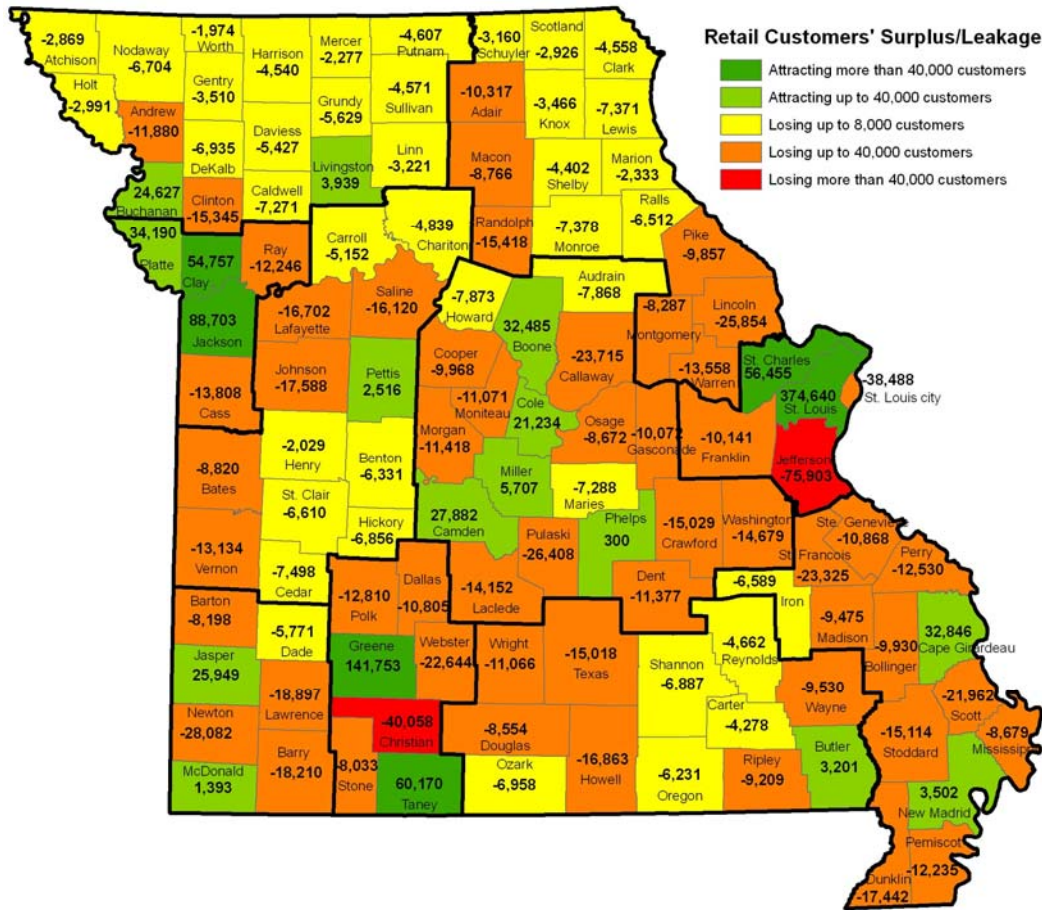
On the contrary, Livingston County has the lowest sales tax rate (4.98%), followed by Clinton and Gentry (5.23%) and Buchanan (5.33%). Lower sales taxes may attract retail customers to Livingston and Buchanan Counties which also have the highest pull factor and market share.

The average sales tax rate for Missouri is 5.72%. 13 counties in the Northwest region have a retail sales tax rate above the state average and five counties have a sales tax rate below the state average.

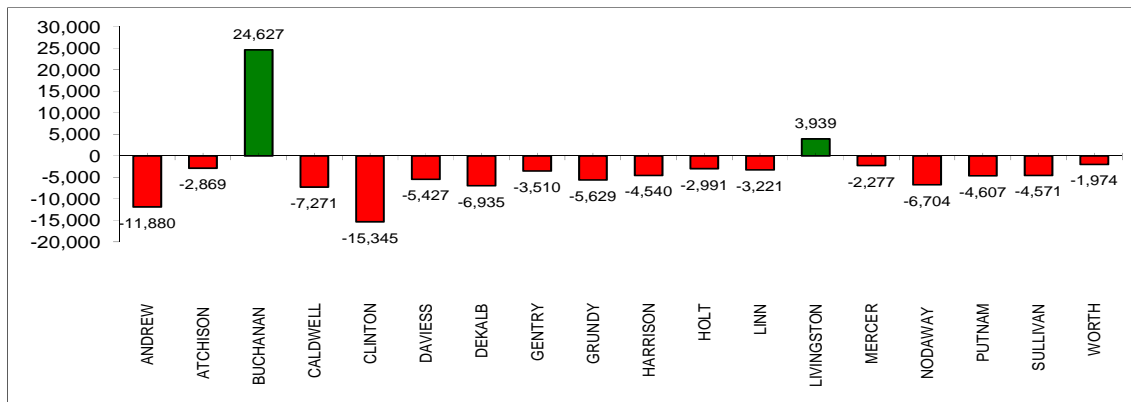
COUNTY	SALES TAX
CALDWELL	7.23%
SULLIVAN	6.48%
MERCER	6.48%
HOLT	6.48%
ATCHISON	6.48%
PUTNAM	6.23%
DAVISS	6.23%
WORTH	6.10%
ANDREW	5.93%
NODAWAY	5.73%
LINN	5.73%
GRUNDY	5.73%
DEKALB	5.73%
HARRISON	5.48%
BUCHANAN	5.33%
GENTRY	5.23%
CLINTON	5.23%
LIVINGSTON	4.98%

Source: Missouri Department of Revenue – Sales Tax Rate Tables

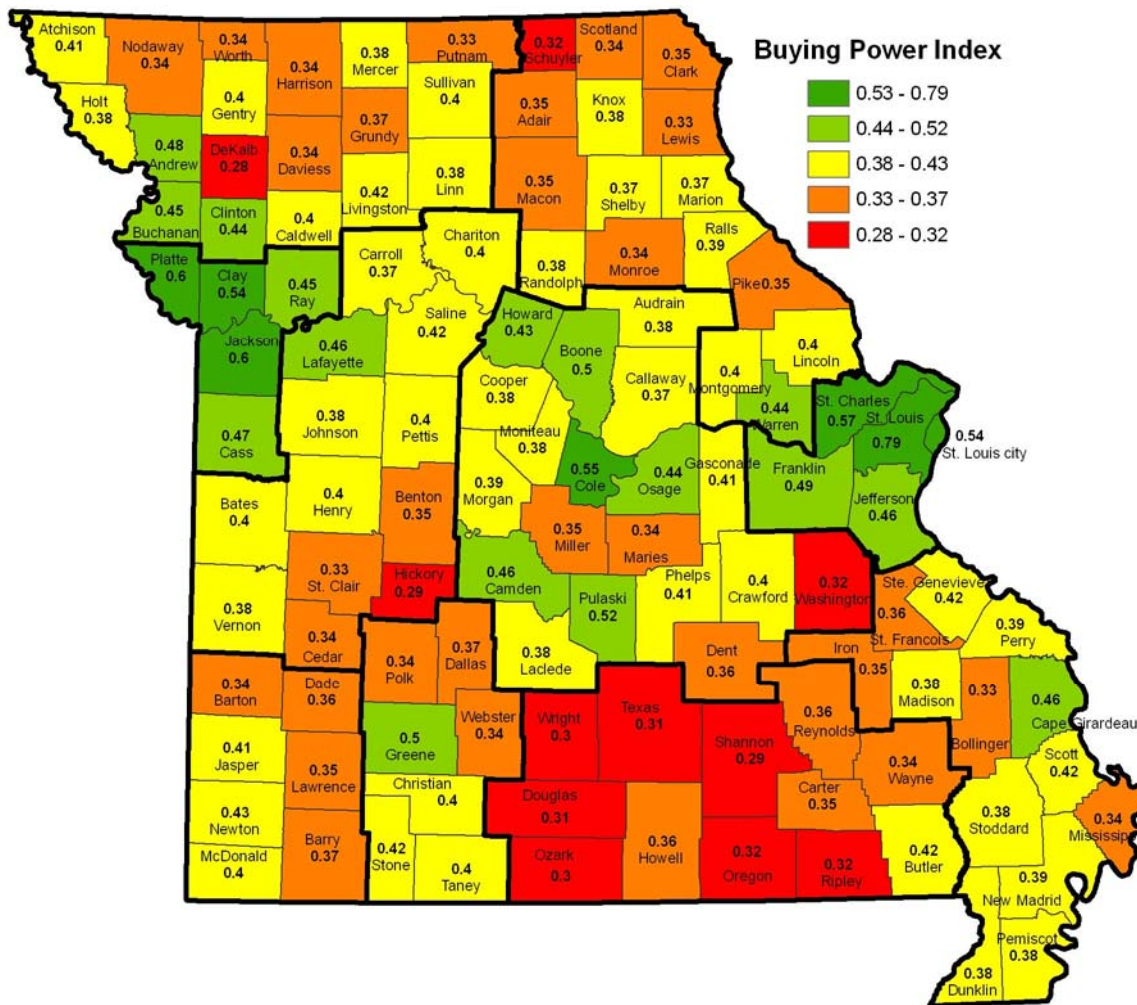
Commuting Patterns of Retail Customers



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 Northwest region as shown in the graph below, Buchanan and Livingston counties display a net in-commuting pattern and 16 Counties display a net out-commuting pattern. Buchanan County gained the most retail customers (24,627), while Clinton County (15,435) lost the most retail customers.



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 the Northwest region, the buying power of retail customers in Andrew, Buchanan and Clinton is relatively higher than the rest of the counties in the region. The buying power of retail customers in DeKalb, Nodaway, Worth, Harrison, Davies and Grundy are relatively lower than the rest of the counties in the region.

The buying power index is calculated by the following equation:

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

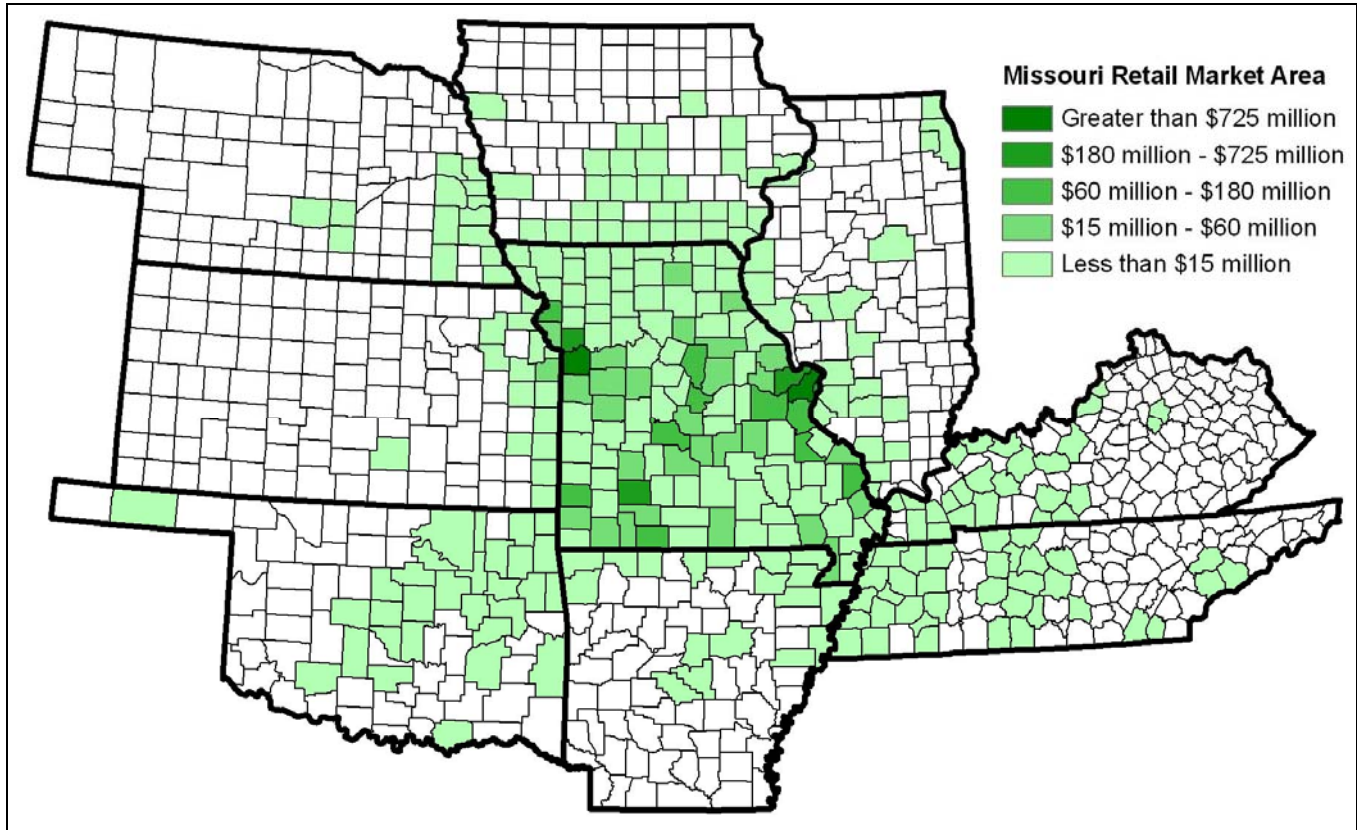
Where Population % is the percentage of county population to that of the State of Missouri.

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.

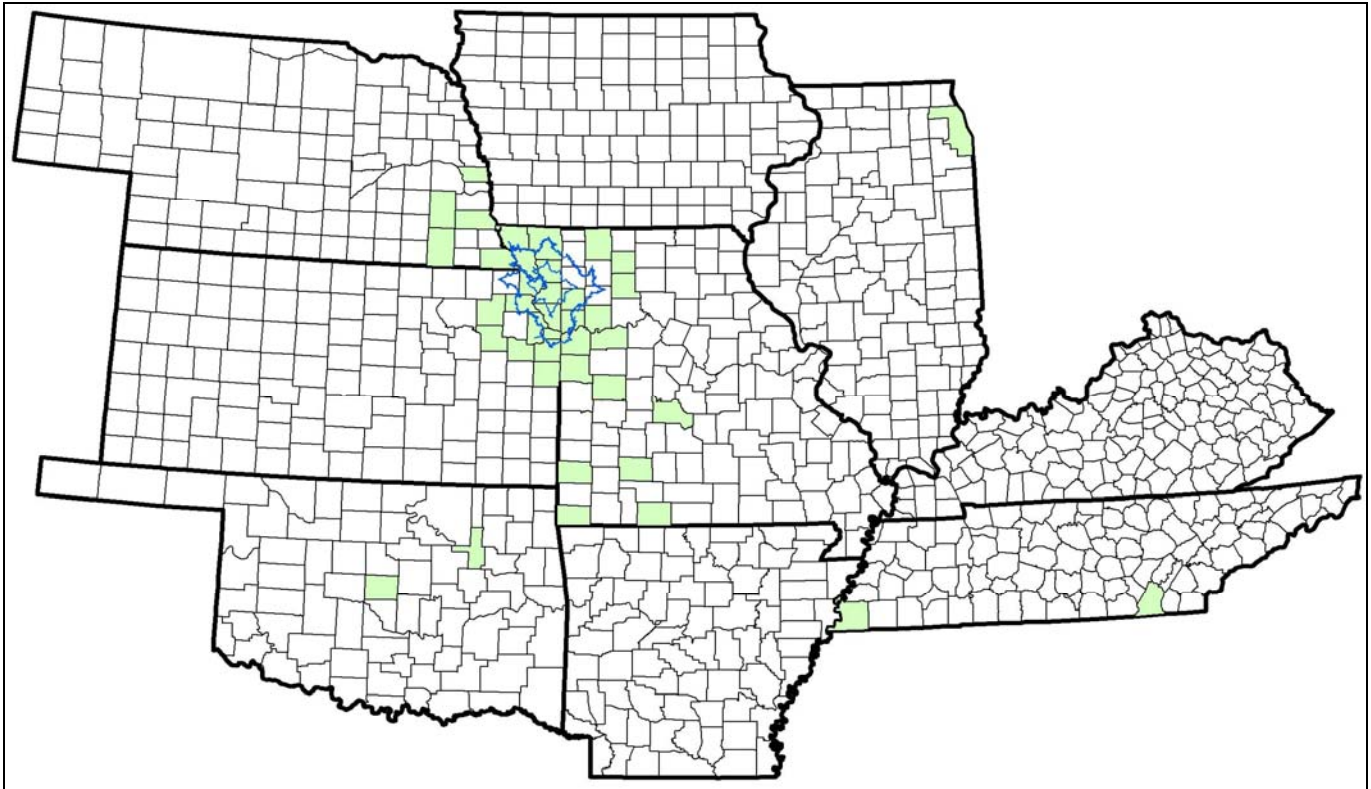
The map above shows the retail market area from which retail stores in Missouri purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Missouri retailers imported retail goods valued over \$5.8 billion. Retail goods were imported from all the states surrounding Missouri. The volume and value of imports to 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 Northwest region, a majority of Missouri retail goods were purchased by retail stores and customers in Buchanan County.

Buchanan County Retail Market Area



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

Buchanan County attracted the most retail customers and has the highest market share and in the Northwest region. The map above shows the retail market area for Buchanan County from which retail customers and stores purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Buchanan County retail customers resided predominantly in Buchanan, Andrew, Platte, Jackson and Clay Counties. With the exception of Iowa, Kentucky and Arkansas, retail purchases were made from all the surrounding states. The blue boundary indicates the local market from which customers purchase retail goods and services within an hour of driving distance from St. Joseph.

