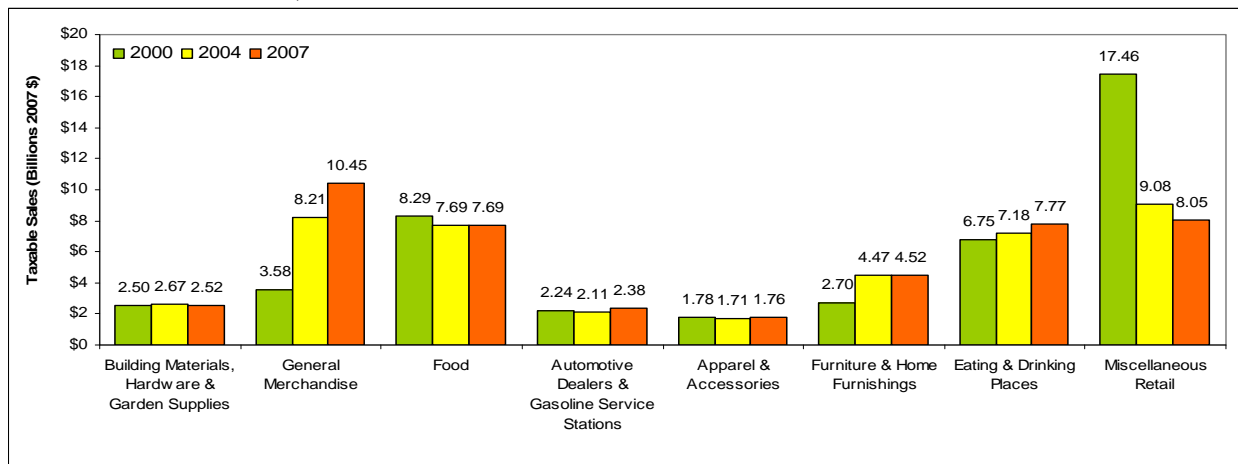


Retail Trends

In terms of retail sales trend, the largest increase over seven years was in general merchandise, and the largest decline was in miscellaneous retail sectors. The convenience of shopping a wide range of products at national chain stores is causing consumers to shift purchases away from miscellaneous retail stores, which carry only a limited range of products. Consumer spending on groceries declined but expenditure at eating and drinking places increased indicating that people are spending more to eat out than in 2000. Consumer spending on building materials stayed about the same but expenditure on furniture and home furnishings increased. Consumer expenditure on automotive and apparel stayed roughly the same across years.

Statewide Taxable Sales Trends, 2000-2007



Source: Missouri Department of Revenue Taxable Sales Data

During 2004-2007 retail trade employment and wages increased marginally at 1.3 % and 1.53%, respectively. However, during the same period, the number of retail trade establishments declined by over 3%. In 2007, the retail trade sector employed 316,882 workers (13.81% of the state's employment), an increase of 1.3% from 312,802 (14.12%) in 2004. Retail trade worker wages increased by 1.53% between 2004 and 2007. The average annual wage of a worker in the retail trade sector increased to \$23,787 in 2007 from \$23,734 in 2004.

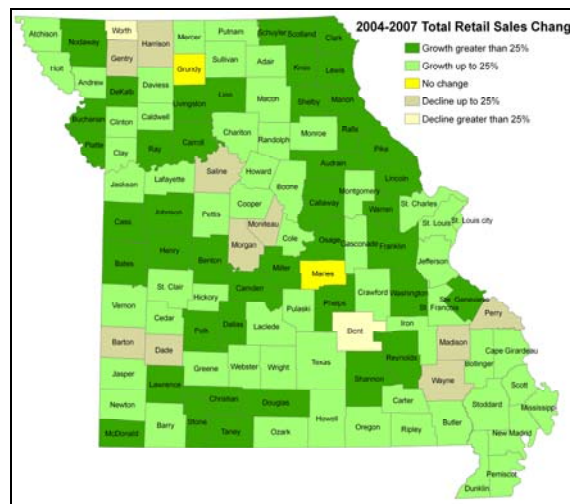
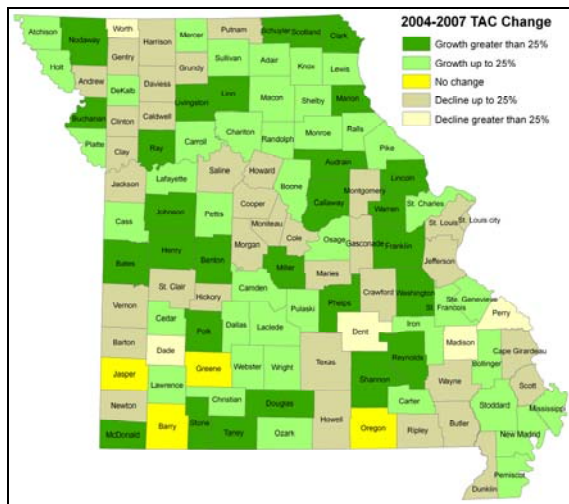
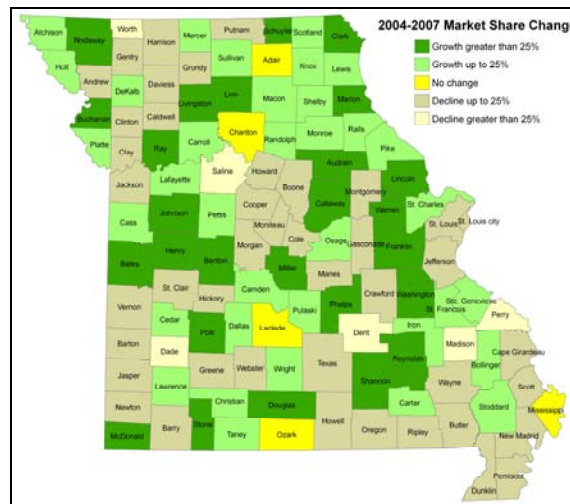
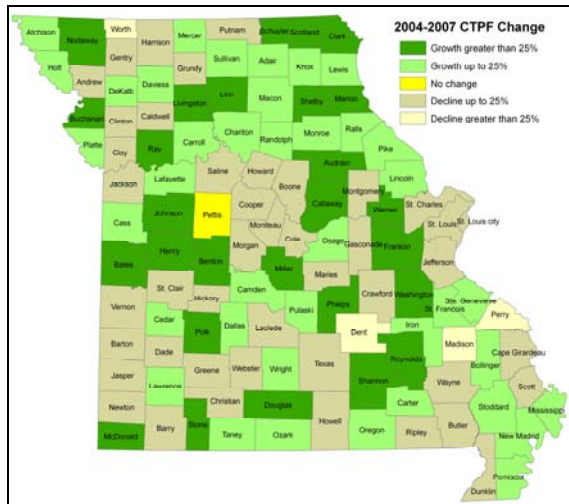
Statewide Retail Industry Trends, 2004-2007

Indicator	2004	% of Missouri	2007	% of Missouri	2004-2007
					% change
Establishments	18,315	12.47%	17,763	11.60%	-3.01%
Employment	312,802	14.12%	316,882	13.81%	1.30%
Wages	\$7.42 B	9.57%	\$7.53 B	8.45%	1.53%
Average wage per job	\$23,734		\$23,787		0.22%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

RETAIL INDUSTRY

2004-2007 Retail Change

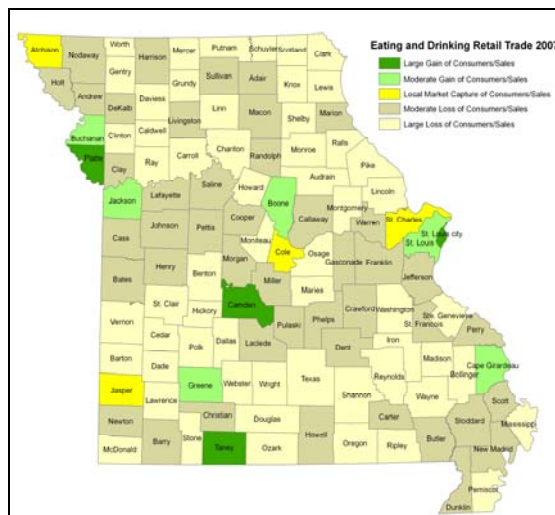
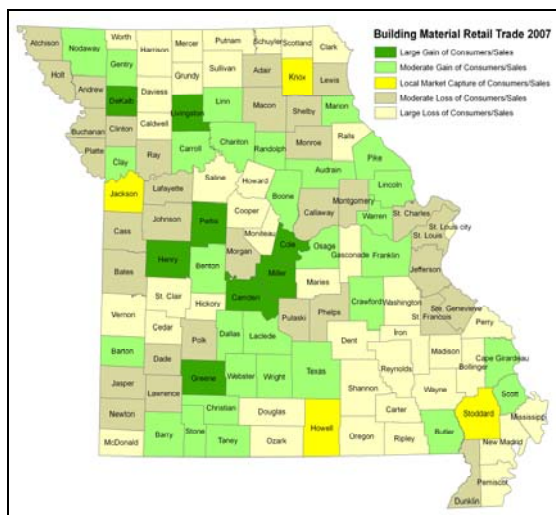
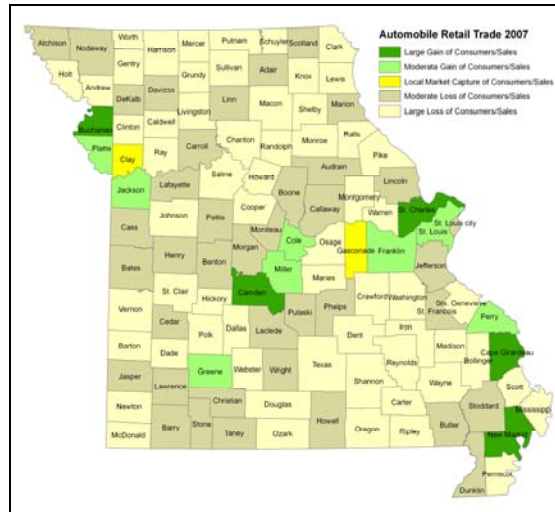
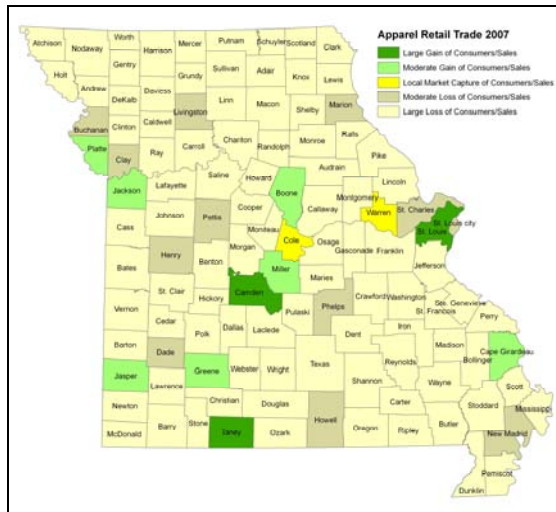


Compared to 2004, 67 counties had a higher retail trade pull factor in 2007, with 27 counties gaining customers/sales by more than 25%. The top five counties that attracted retail customers, expanded the customer base and increased the market share between 2004 and 2007 are - Schuyler, Livingston, Shannon, McDonald and Washington. Between 2004 and 2007, 72 counties expanded their customer base as evident from the trade area capture map, with 28 counties increasing their customer base by more than 25%. During the same time, 62 counties fared better in increasing the market share, with 25 counties increasing their market share by more than 25%.

On the contrary, retail trade declined in 48 counties, the customer base shrunk in 43 counties and the retail trade market share dropped in 53 counties. Retail trade in Dent, Worth and Madison dropped the most between 2004 and 2007.

RETAIL INDUSTRY

2007 Retail Trade Sectors



In 2007, 10 counties attracted apparel consumers/sales from other counties with large gains in Branson, the Lake of the Ozarks region, and St. Louis.

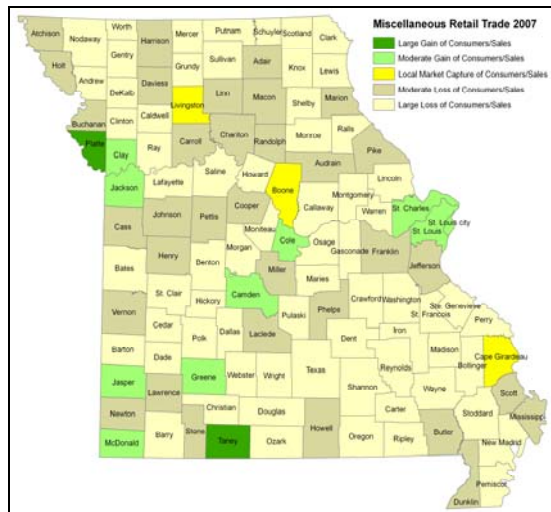
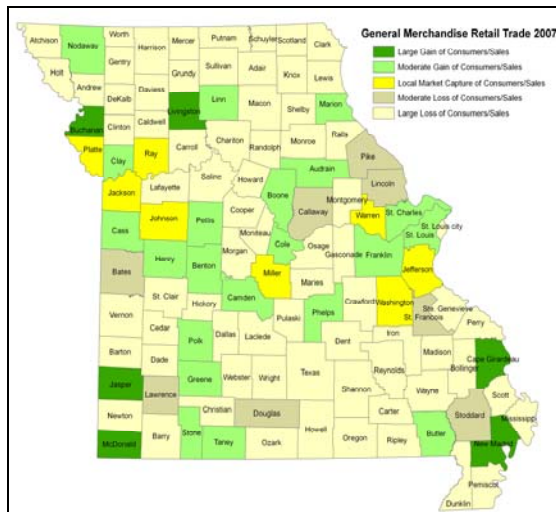
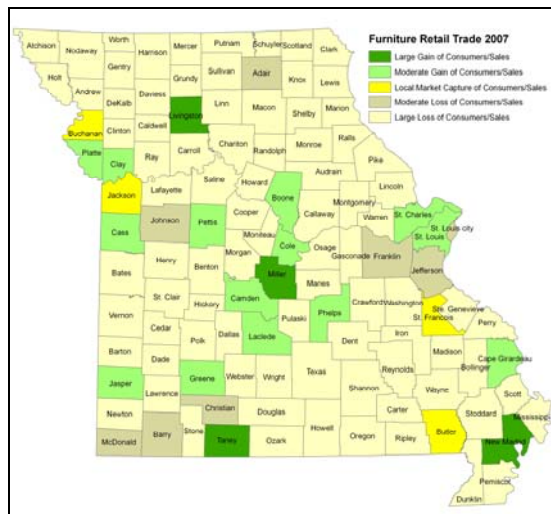
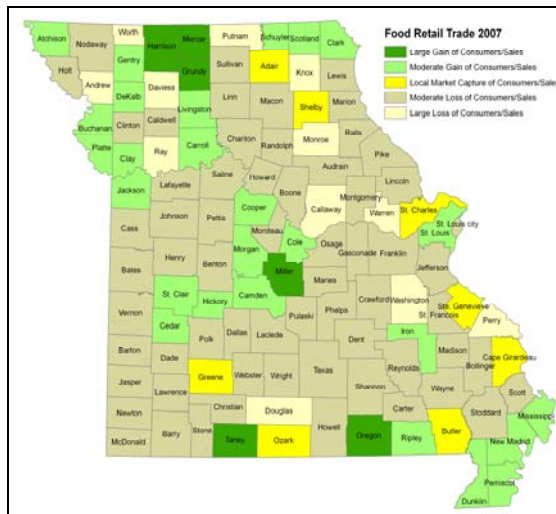
13 counties attracted automotive consumers/sales from the metropolitan and surrounding areas of Cape Girardeau, New Madrid, St. Louis, Kansas City, Springfield, and the Lake of the Ozarks.

38 counties attracted building material consumers/sales from other counties with large gains in Springfield, Jefferson City, Sedalia, Chillicothe, Clinton, DeKalb County, and the Lake of the Ozarks region.

10 counties attracted eating and drinking retail consumers/sales from other counties with large gains around Kansas City, St. Louis, the Lake of the Ozarks, and Branson.

RETAIL INDUSTRY

2007 Retail Trade Sectors



In 2007, 32 counties attracted food retail trade consumers/sales from other counties with large gains in Bethany, Trenton, Princeton, the Lake of the Ozarks, Poplar Bluff, and Branson areas.

18 counties attracted furniture retail consumers/sales with from other counties with large gains in Chillicothe, New Madrid County, the Lake of the Ozarks, and Branson areas.

27 counties attracted general merchandise consumers/sales from other counties with large gains in St. Joseph, Chillicothe, Cape Girardeau, Joplin, New Madrid County, and Pineville areas.

12 counties attracted miscellaneous consumers/sales from other counties with large gains in Kansas City, St. Louis, Springfield, and Branson areas.

Data and Methods

2007 Taxable sales data were obtained from Missouri Department of Revenue.

2007 County and city population data were obtained from Population division of the US Census Bureau.

2002 Institutionalized population data were obtained from Office of Social and Economic Data Analysis (OSEDA), University of Missouri.

Employment and wage data for retail sectors across counties in Missouri were obtained from Quarterly Census of Employment and Wages (QCEW), which is maintained by U.S. Bureau of Labor Statistics (BLS).

County per capita income data revised from US Bureau of Economic Analysis (BEA) were obtained from Missouri Economic Research and Information Center.

The equation to compute pull factor is as follows:

$$Pull\ Factor_{sector} = \frac{Retail\ sales_{county}}{Adjusted\ population_{county}} \div \frac{Retail\ sales_{state}}{Adjusted\ population_{state}}$$

The equation to compute market share is as follows:

$$Market\ share_{sector} = \frac{Trade\ area\ capture_{county}}{Trade\ area\ capture_{state}} = \frac{Adjusted\ population_{county} * PF_{sector}}{Adjusted\ population_{state} * PF_{sector}}$$

The per capita income is assumed to be homogenous across the state of Missouri.

The retail expenditure by residents across Missouri is assumed to be equal.

It is assumed that there are no leakages of consumers/sales outside the state of Missouri.

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