Executive Summary

The performance of the local retail sector is a key economic indicator that has important economic implications. Because the retail sector is mostly patronized by local residents and businesses, it provides an initial indication about the vitality of the local economy. The retail sector also helps describe the fiscal capability of local government, as sales tax is one of the most important sources of revenue for state and local governments.

Many localities use the expansion of their retail trade sector as an economic development tool. There are many benefits to having a strong retail sector, including growth in employment, retail sales, local government sales tax revenues, and improvements in local quality of life. In addition, the existence of a strong retail sector is often an important factor considered in firms' location decisions. On the other hand, retail trade expansion as an economic development tool is limited by two factors. First, retail trade creates little added value because retail stores often purchase most of the goods they sell from outside the local area. Second, increased sales in one geographic area may actually be at the expense of lost sales in a nearby area. Still, having a strong retail sector is generally beneficial to the local economy and the local government.

This report analyzes the retail trade sector of Pettis County, using several tools to quantify the current level of retail sales and to identify areas of potential expansion.

Key Findings

- After adjusting for inflation, Pettis County's retail sales increased from $306 million in 1990 to $415 million in 1998, an increase of over 35 percent. This is compared to a growth of 22.4 percent in retail sales for the state over the same time period.
- Sedalia accounts for most of the retail sales in Pettis County, 89 percent in 1990 and 78 percent in 1998.
- Pettis County has the highest retail sales in the region during 1990 through 1998, indicating that Pettis County is a trade center for the region.
- Per capita retail sales in Pettis County lagged slightly behind the state from 1990 through 1996. From 1996 through 1998 per capita retail sales in Pettis County have exceeded the state.

- Pettis County also surpasses all surrounding counties in per capita retail sales. In 1998, per capita retail sales in Pettis County were over $11,000.
- The retail sector in Pettis County is an “export sector,” drawing consumers from outside its borders. The pull factor measures the portion of customers drawn from outside the local boundary. Pettis County’s overall pull factor increased from 1.1 in 1990 to 1.2 in 1998.
- Potential sales measure the sales levels achieved if 100 percent of the local market were achieved. Actual sales exceeded potential sales in Pettis County by over $70 million in 1998, another indication of Pettis County’s position as a retail trade center.
- Analysis of sales by retail trade category show that Pettis County has higher levels of retail sales in almost all of the categories: building materials and garden supplies, food stores, automotive dealers, furniture stores, eating and drinking places, drug stores, hotels and motels, auto repair services, and miscellaneous retail stores.
- Lafayette County exceeds Pettis County in retail sales in the remaining retail categories: general merchandise stores, gas service stations, and apparel and accessory stores.
- The retail categories in Pettis County with pull factors of less than one and high growth rates show promise for expansion. These categories are general merchandise stores and furniture stores.

Retail Trade Analysis

Retail Sales, as defined in the 1992 *Census of Retail Trade*, includes

> "merchandise sold for cash or credit at retail and wholesale by establishments primarily engaged in retail trade; amount received from customers for layaway purchases; receipts from retail or leasing of vehicles, equipment, instruments, tools, etc; receipts for delivery, installation, maintenance, repair, alteration, storage and other services; the total value of service contracts; and gasoline liquor, tobacco, and other excise taxes, which are paid by the manufacturer or wholesaler and passed on to the retailer."

Under this definition, firms not considered a retail store might also have taxable retail sales. An example of such a non-retail firm, would be a hair salon, that also sells shampoo or other hair products. In this analysis, total retail sales include all taxable retail sales, whether made through a firm classified as retail or not. In later sections, this report further analyzes only those firms that the government has classified as retail, as well as two service sectors that have high levels of retail sales.

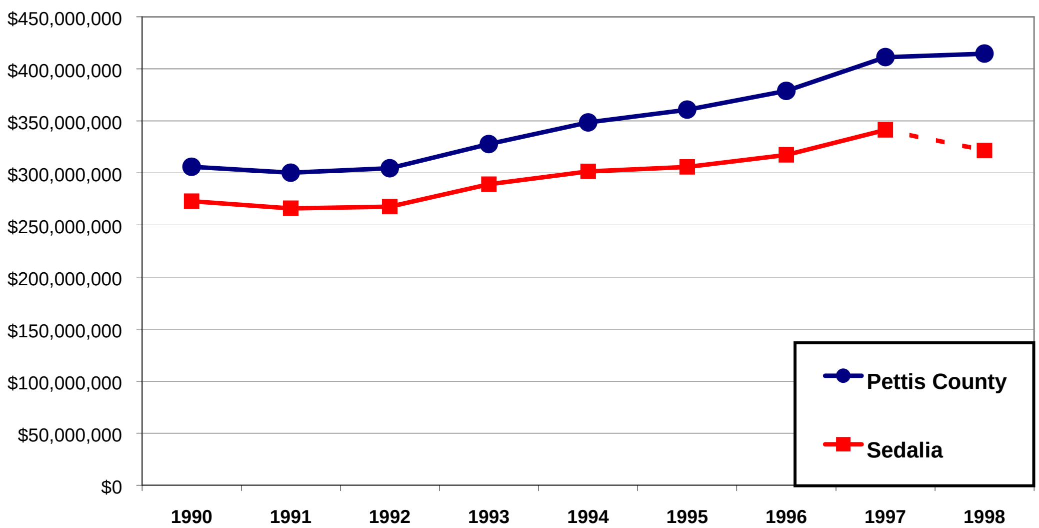
In Missouri, sales taxes must be paid on the gross receipts of tangible personal property, admission to entertainment and athletic events, utilities, restaurant meals, hotel accommodations, and rental of tangible personal property. There are three major categories exempt from paying or charging sales taxes:

- Non profit or governmental organizations do not pay any sales tax on items that are otherwise considered taxable.
- Businesses that purchase retail items for further resale are exempt from paying sales tax.
- Sales tax may not be charged on selected services and commodities, such as medical services, vehicle repair, and household maintenance and repair.

Total Retail Sales

The following figures illustrate the level of total taxable retail sales for Pettis County and Sedalia (figure 1) and Missouri (figure 2) over the past decade.

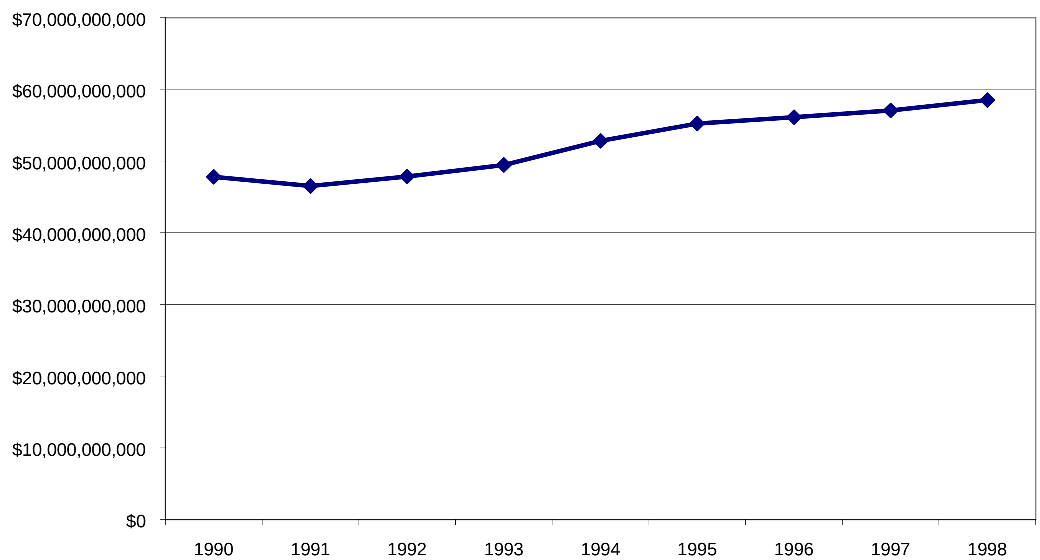
Figure 1. Total Retail Sales in Pettis County, 1990-1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Note: the 1998 data figure for Sedalia retail sales is an estimate

Figure 2. Total Retail Sales in Missouri, 1990-1998 (1998 Dollars)

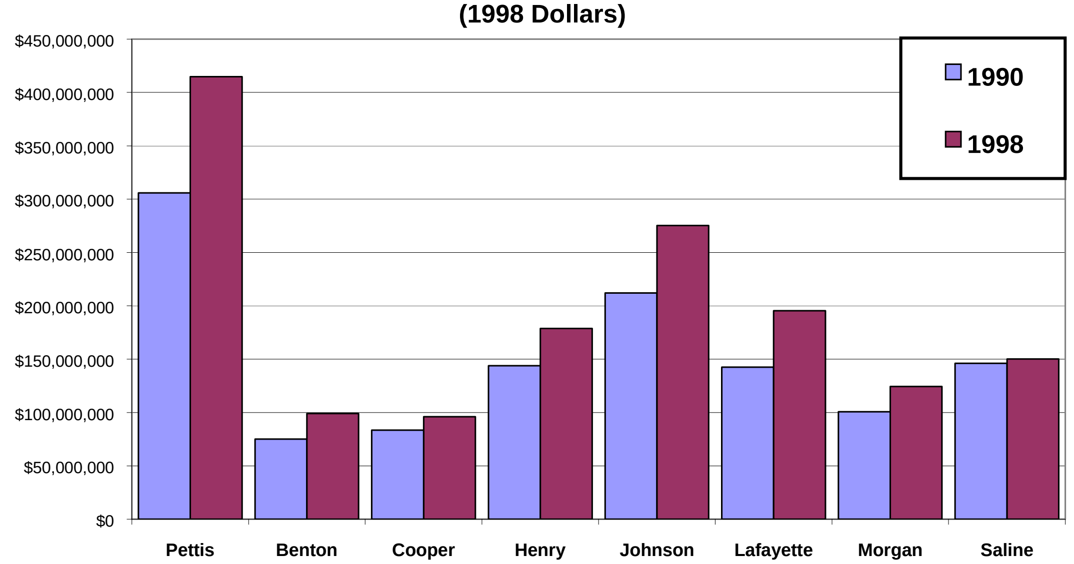


Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Total retail sales in Pettis County grew from $304 million in 1990 to $414 million in 1998, an increase of over 35 percent. Sedalia makes up the vast majority of retail sales in Pettis County, almost 90 percent. Total retail sales in Missouri grew by 22 percent during the same period, from $47 billion to $58 billion. The fastest growth in retail sales occurred between 1992 and 1997. Between 1997 and 1998, the growth in retail sales, particularly in Pettis County, slowed dramatically, growing less than one percent that year.

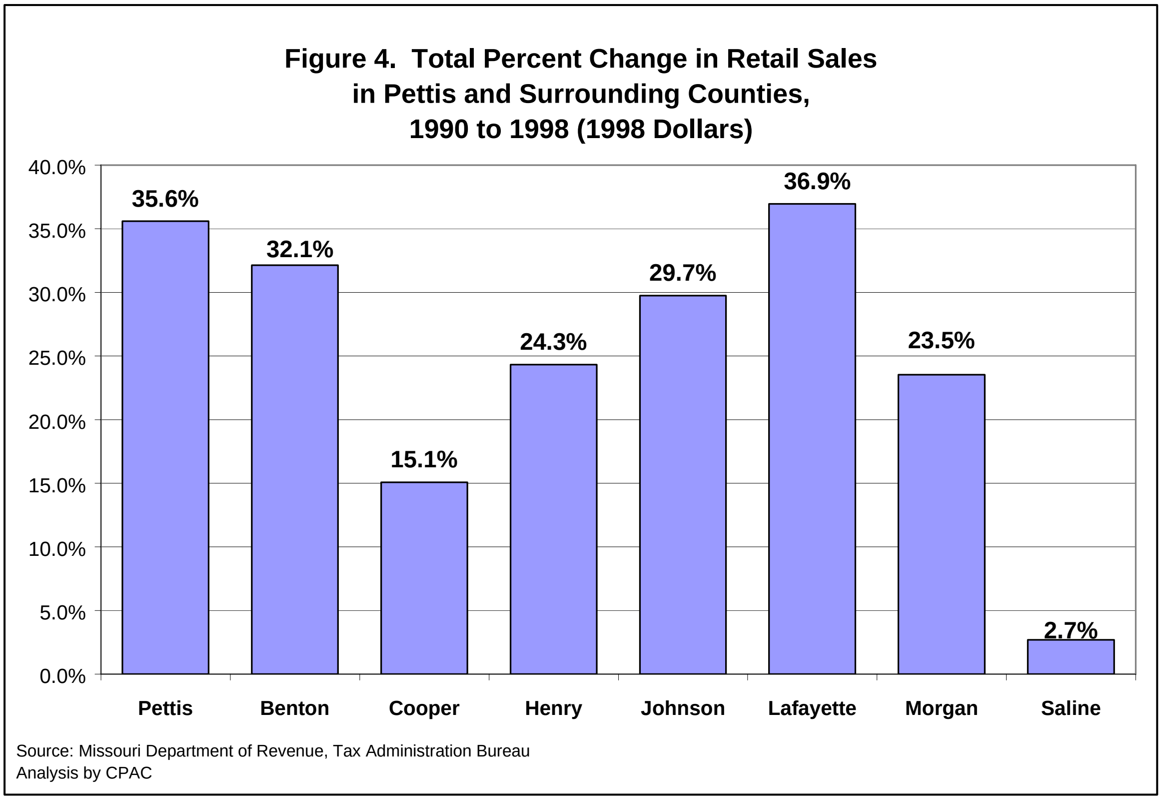
The following figures allow comparison of Pettis and surrounding counties. Figure 3 shows the total retail sales in 1990 and 1998 for each county. Figure 4 compares the percent change in total retail sales between 1990 and 1998.

Figure 3. Total Retail Sales in Pettis and Surrounding Counties, 1990 and 1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Pettis County clearly has the highest retail sales in this region, indicating that Pettis County is a trade center for the region. Johnson County has the second highest retail sales, with retail sales of $275 million in 1998. The lowest levels of retail sales are in Benton and Cooper Counties.

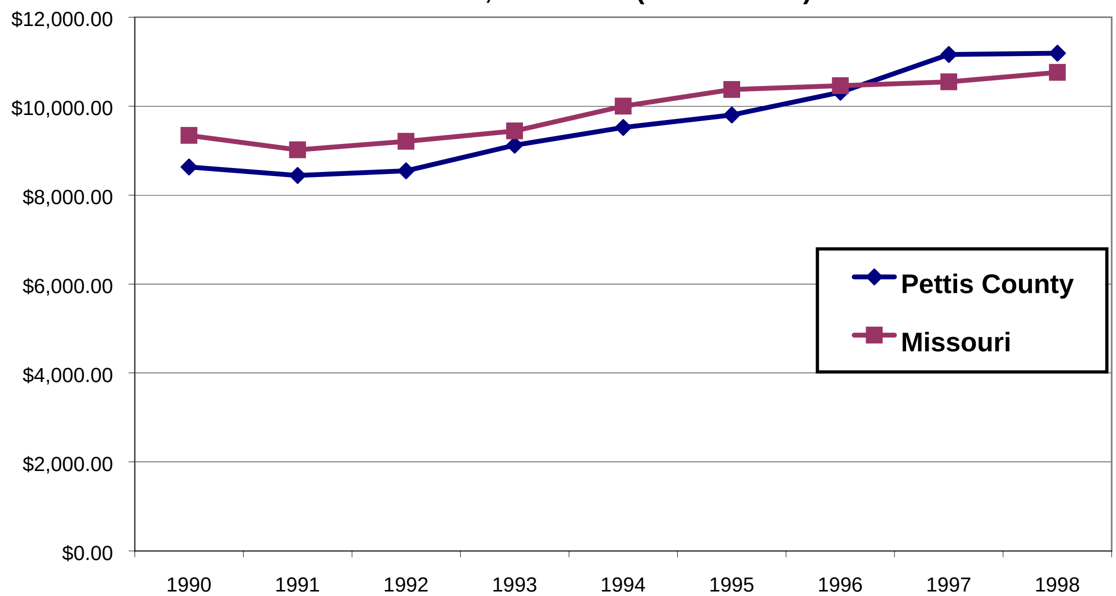


Lafayette County had the highest percent change in total retail sales, almost 37 percent. Benton and Johnson Counties also showed substantial percent increases in total retail sales. Percent change in retail sales in Cooper and Saline Counties lagged the other counties in the region.

Per Capita Retail Sales

The following figures compare total retail sales in Pettis and surrounding counties on a per capita basis. Figure 5 shows the per capita retail sales in Pettis County and Missouri for 1990 through 1998 (adjusted for inflation). Figure 6 shows the per capita retail sales for Pettis County and surrounding counties for 1990 and 1998.

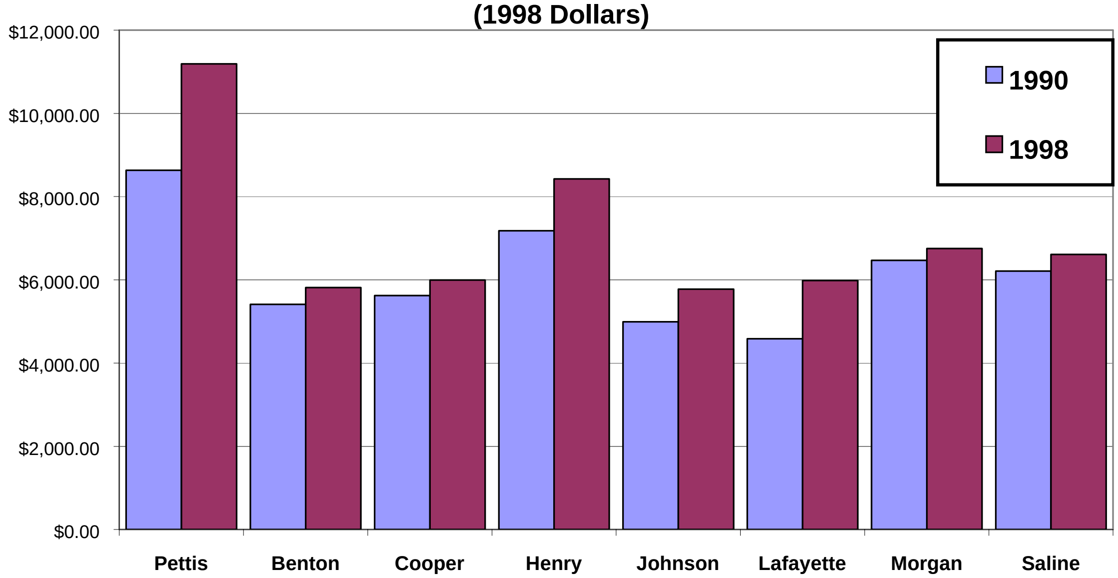
Figure 5. Per Capita Retail Sales in Pettis County and Missouri, 1990-1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census
Analysis by CPAC

Per capita retail sales in Pettis County slightly lagged behind the state from 1990 through 1996. In 1996, per capita retail sales were just over $10,000 in both Pettis County and the state. Per capita retail sales in Pettis County surpassed the state in 1997 and 1998. Per capita retail sales leveled off between 1997 and 1998, corresponding to the same trend in total retail sales.

Figure 6. Per Capita Retail Sales in Pettis and Surrounding Counties, 1990 and 1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census
Analysis by CPAC

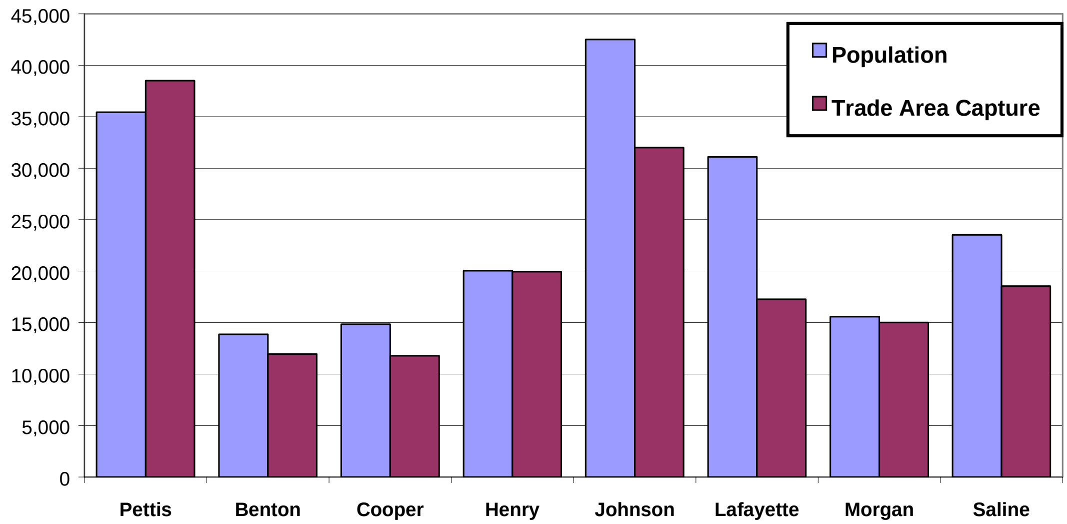
Figure 6 shows the per capita retail sales in Pettis County and surrounding counties for 1990 and 1998. Per capita retail sales are highest in Pettis County, reaching over $11,000 in 1998. Per capita retail sales in surrounding counties ranged from $4,584 (Lafayette) to $8,631 (Pettis) in 1990 and from $5,776 (Johnson) to $11,189 (Pettis) in 1998. Interestingly, Johnson County shows one of the lowest *per capita* retail sales figure in the region, although total retail sales are among the highest.

Trade Area Capture

Retail sales change, not only over time, but also in the way they are concentrated in areas throughout the state. There are several ways to measure the spatial concentration of retail sales. The trade area capture measures the number of customers that are being served by the local retail sector. Trade area capture is based on state average expenditures (retail sales) after adjusting for differences in per capita income between the state and the local area[1]. If the trade area capture is larger than the population of the county, then the county is assumed to be attracting customers from outside its borders. It could also be assumed that local residents spend more money on retail than the state average. If the trade area capture is less than the county's population, the community is either not capturing the commercial purchases of its own residents, or local residents are spending relatively less on retail sales than the state average.

Figures 7 and 8 show the trade area capture, compared to population, for Pettis and surrounding counties for 1990 (figure 7) and 1998 (figure 8).

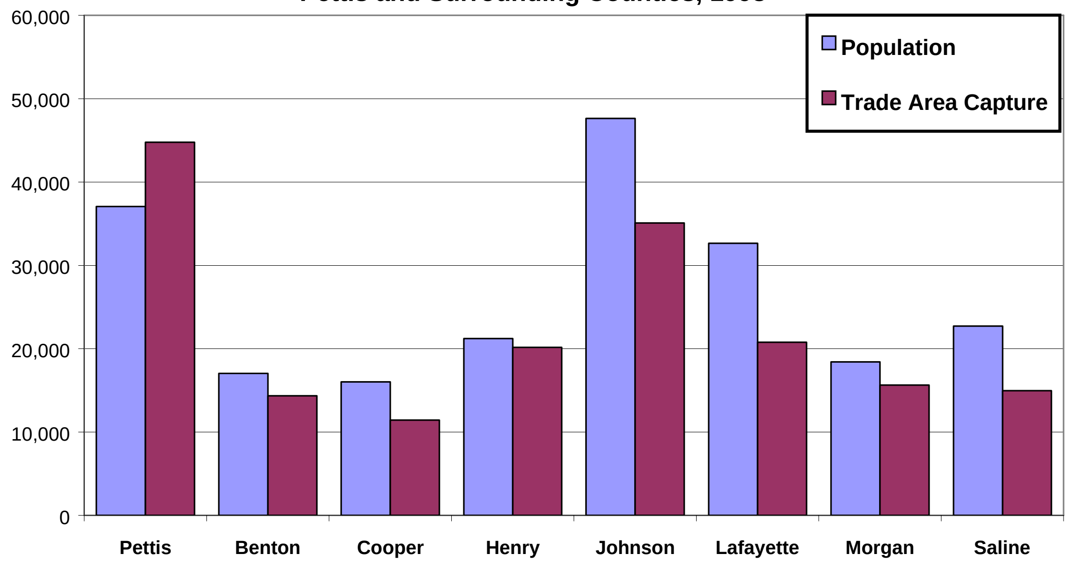
Figure 7. Population and Trade Area Capture for Pettis and Surrounding Counties, 1990



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

[1] The trade area capture is calculated: (county retail sales/state per capita retail sales) * (state per capita income/county per capita income).

Figure 8. Population and Trade Area Capture for Pettis and Surrounding Counties, 1998

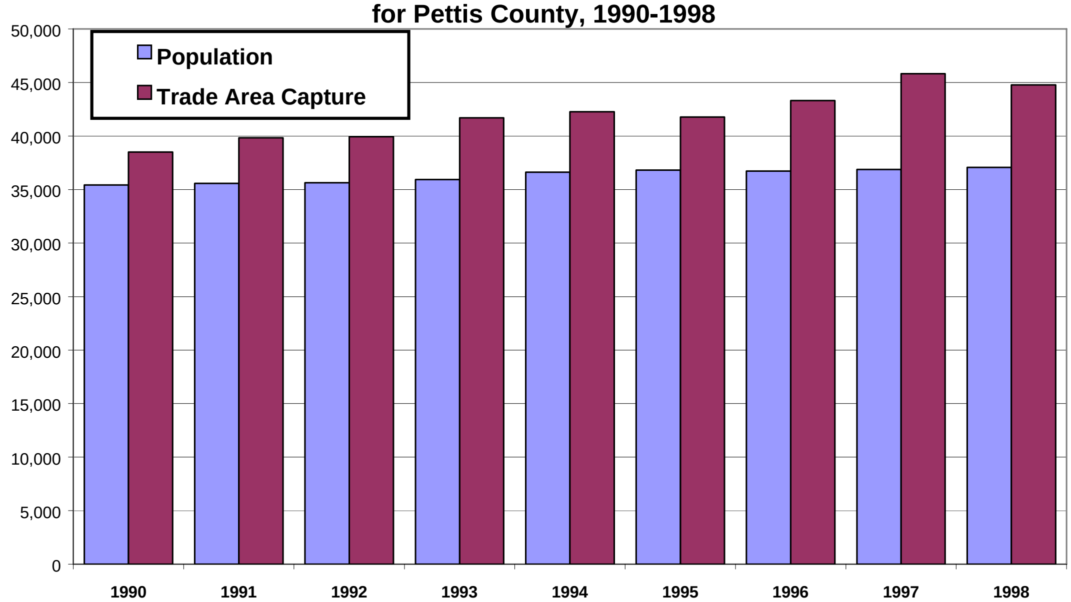


Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

In counties where the trade area capture is larger than the population, that county is attracting customers from outside its borders and/or local residents are spending more money on retail sales than the state average. In both 1990 and 1998 Pettis County is the only county in the region in which the trade area capture is larger than county population. The trade area capture is increasing in Pettis County. In 1990, the trade area capture was 38,504 customers, and this increased to 44,773 in 1998. Again, this is showing Pettis County as a trade center in the region. In all other counties, population is larger than trade area capture, and in some counties the difference is substantial. Residents in these neighboring counties are shopping outside of their county and/or are spending relatively less on retail sales than the state average. It is likely that residents of neighboring counties are shopping in Pettis County for their retail needs.

Figure 9 shows the population compared to trade area capture for Pettis County for 1990 through 1998.

Figure 9. Population and Trade Area Capture for Pettis County, 1990-1998



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

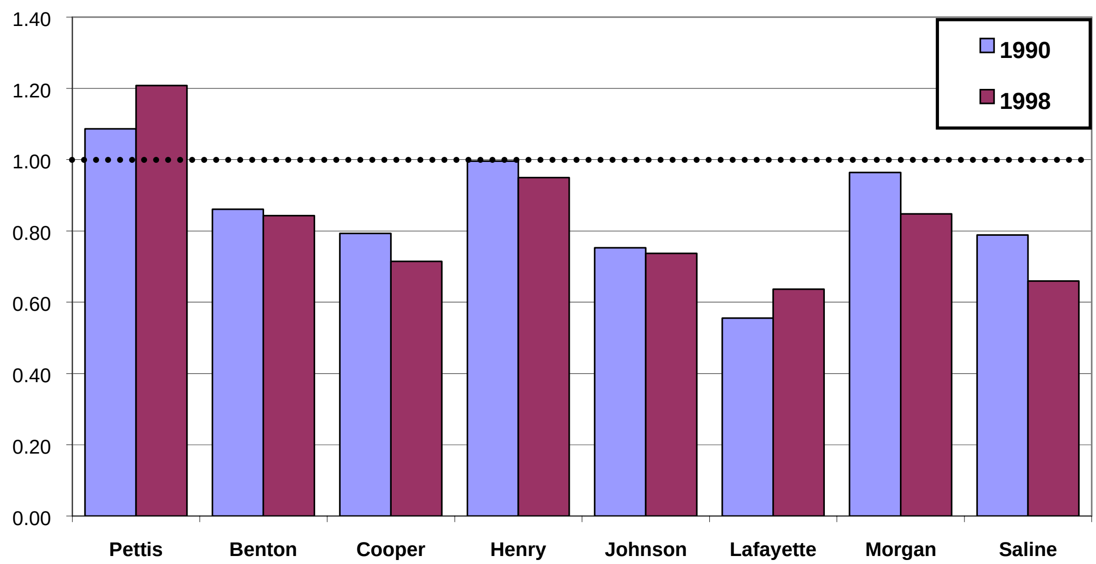
The trade area capture exceeded population for each year between 1990 and 1998 in Pettis County. Clearly, Pettis County represents a trade center for the region. This is not surprising given the draw of Sedalia. The largest gap between trade area capture and population was in 1997, when the trade area capture was almost 9,000 customers greater than Pettis County population.

Pull Factor

The pull factor measures the portion of customers that a local area draws from outside its boundaries.[2] This measure will help identify those sectors that can be considered "export sectors," those that not only satisfy the demands of the local community, but administer sales of goods to non-local residents (tourists, visitors, in-commuters and others). If the pull factor is greater than 1.0, the retail sector is considered an "export sector." If the pull factor is less than one, then the retail sector is considered an "import sector." The pull factor, when calculated over time, gives decision-makers an understanding of the community's market capture efficiency.

Figure 10 shows the pull factor in Pettis and surrounding counties for 1990 and 1998.

Figure 10. Pull Factor for Pettis and Surrounding Counties, 1990 and 1998



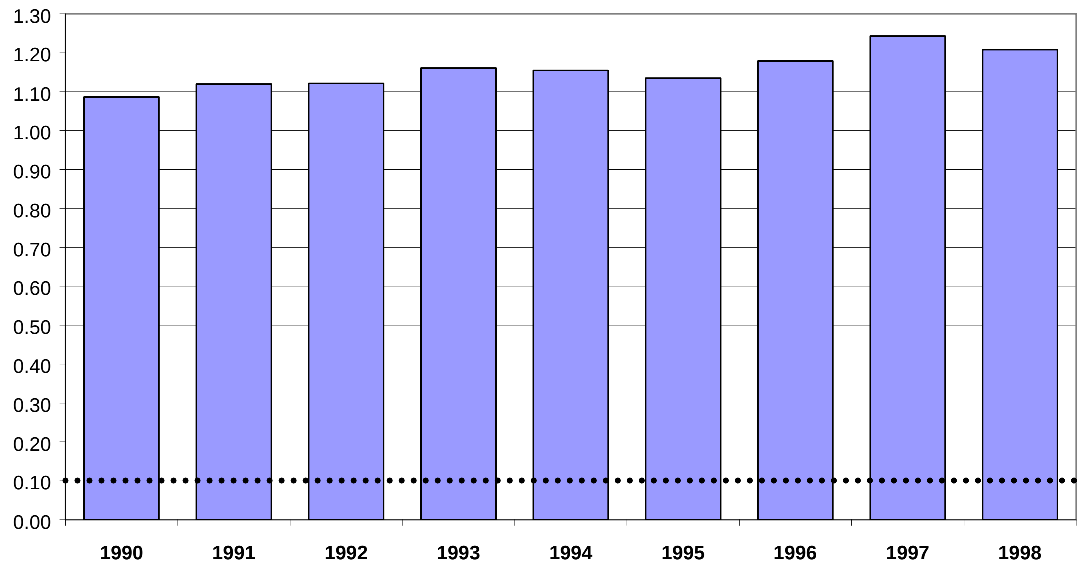
Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

[2] The pull factor is calculated: (county trade area capture/county population).

Pettis County is the only county will a pull factor greater than one for the retail sector in 1990 and 1998. Henry County has the next higher pull factor, but is still less than one. All counties in the region besides Pettis are considered "importers" of retail sales. That is, local businesses are not meeting the demands of residents for retail goods and services. The lowest pull factor is in Lafayette County in both years.

Figure 11 shows the pull factor for Pettis County for 1990 through 1998. Throughout the 1990s, Pettis County's role as a regional trade center has steadily increased, peaking in 1997.

Figure 11. Pull Factor for Pettis County, 1990-1998



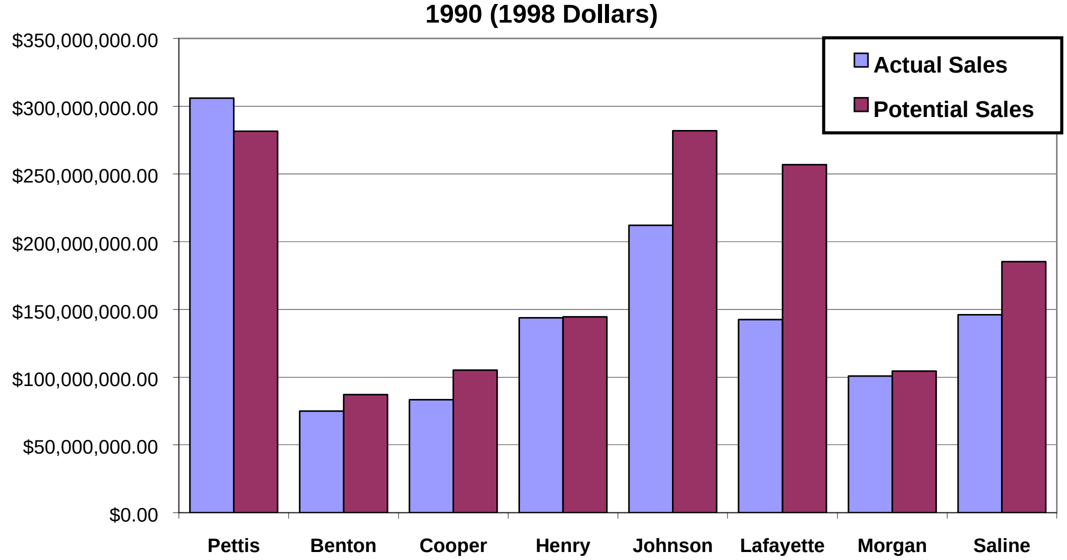
Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

Potential Sales

The potential sales measure is used to estimate the retail sales levels that could be achieved if each retail category captures 100 percent of the local market, assuming average state expenditure levels[3]. Potential sales show the dollar amount that each retail category would achieve in sales if that category reached the statewide per capita level of sales (adjusted for income differences). Comparison of potential sales with actual sales yields the surplus or leakage in retail sales. When actual sales exceed potential sales, the retail sector is considered an "export" sector. On the other hand, when actual sales lag potential sales, residents are going outside of the locality to purchase retail goods.

Figures 12 and 13 show the actual and potential retail sales for Pettis and surrounding counties in 1990 and 1998. All sales are adjusted to 1998 dollars.

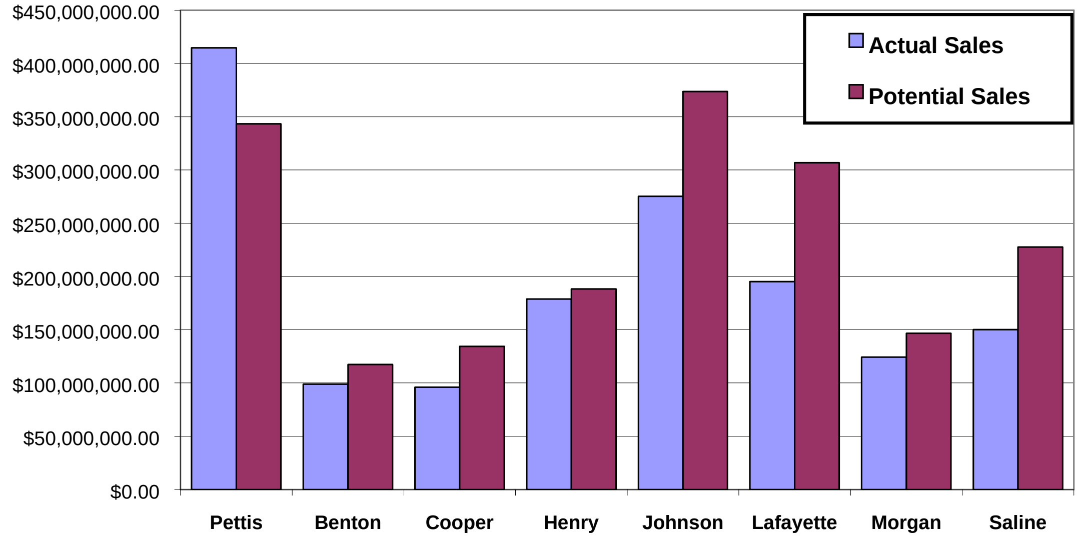
Figure 12. Actual and Potential Retail Sales for Pettis and Surrounding Counties, 1990 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

[3] Potential sales is calculated: (county retail sales/county pull factor).

Figure 13. Actual and Potential Retail Sales for Pettis and Surrounding Counties, 1998 (1998 Dollars)

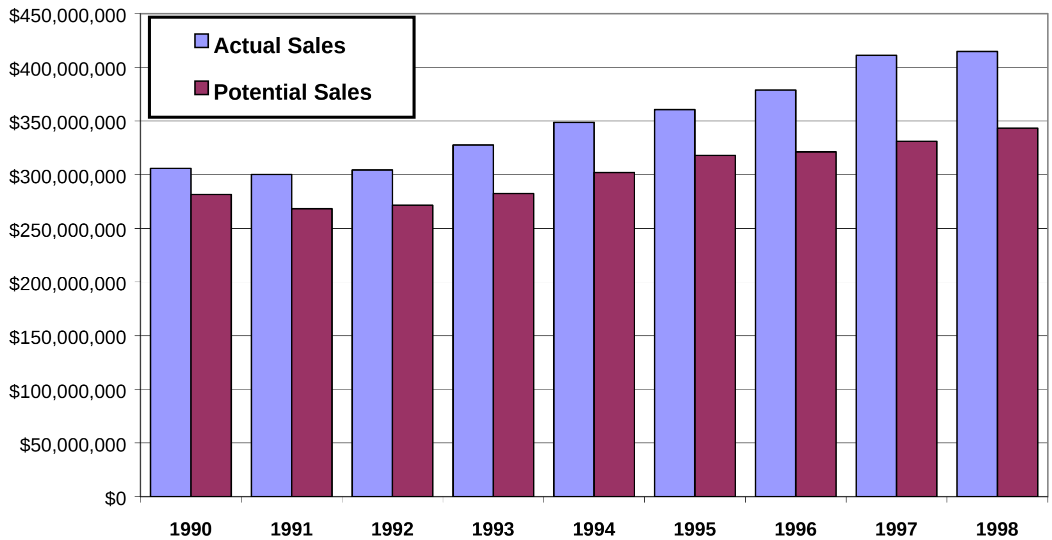


Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

The actual sales exceed potential sales in Pettis County in both 1990 and 1998. In all surrounding counties, though, the actual sales are less than potential sales. The retail sector is an export sector in Pettis County and an import sector in all counties surrounding Pettis.

Figure 14 compares actual sales to potential sales for Pettis County for 1990 through 1998. Actual sales have exceeded potential sales throughout the 1990s, with the gap steadily expanding, indicating a strengthening of Pettis County as a regional trade center.

Figure 14. Actual and Potential Retail Sales for Pettis County, 1990-1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis
Analysis by CPAC

Retail Sales by Retail Category

This section provides a more detailed analysis of the retail trade sector in Pettis County. The following table summarizes the sectors, by Standard Industry Classification (SIC) that are included in this analysis:

Table 1. Retail Sectors included in Analysis

SIC Code	Sector Name
5200	Building Materials and Garden Supplies
5300	General Merchandise Stores
5400	Food Stores
5500	Automotive Dealers (sector 5540 excluded)
5540	Gasoline Service Stations
5600	Apparel and Accessory Stores
5700	Furniture and Home Furnishings Stores
5800	Eating and Drinking Places
5900	Miscellaneous Retail (sector 5910 excluded)
5910	Drug Stores and Proprietary Stores
7000	Hotels and Other Lodging Places
7500	Auto Repair Services

Although Gasoline Service Stations (sector 5540) are a part of the Automotive Dealers sector, they are reported separately in this report because of the large portion of retail sales that sector generates. Likewise, Drug and Proprietary Stores (sector 5910) are reported separately from Miscellaneous Retail (sector 5900). Technically, sectors 7000 and 7500 are part of the Services sector, but are reported here because both sectors have a sizable contribution to total retail sales.

The following figures compare retail sales for each of the categories listed above in Pettis and surrounding counties for 1990 and 1998.

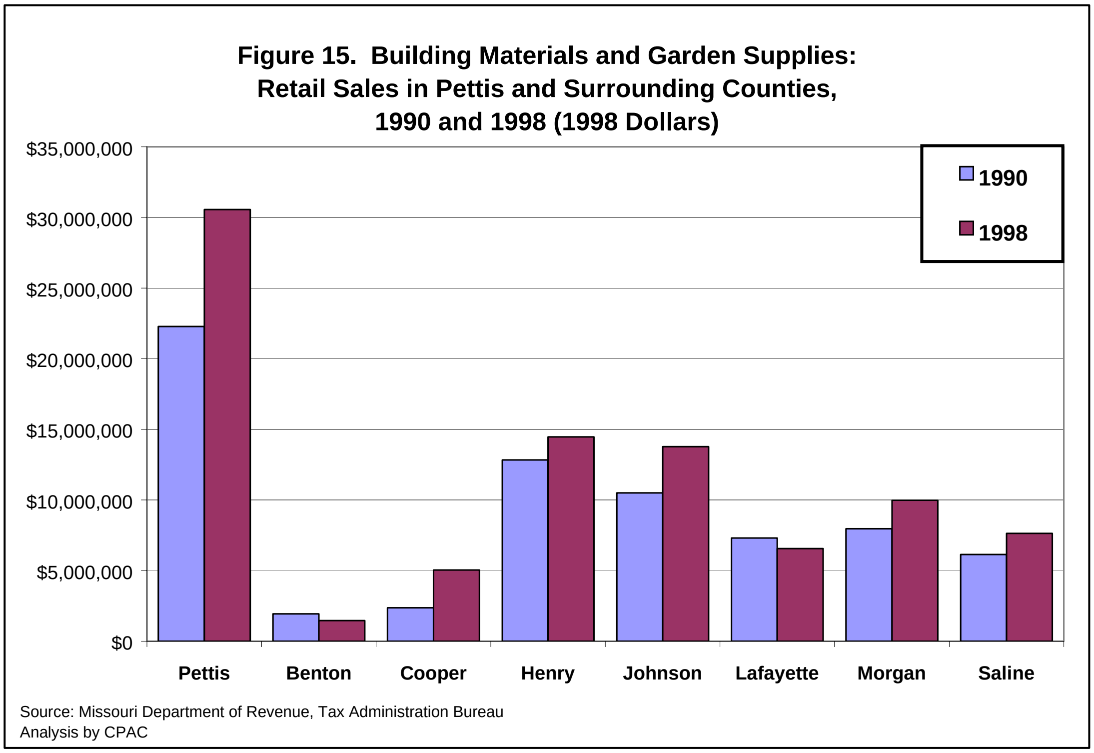


Figure 15. Building Materials and Garden Supplies:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
1990
1998
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

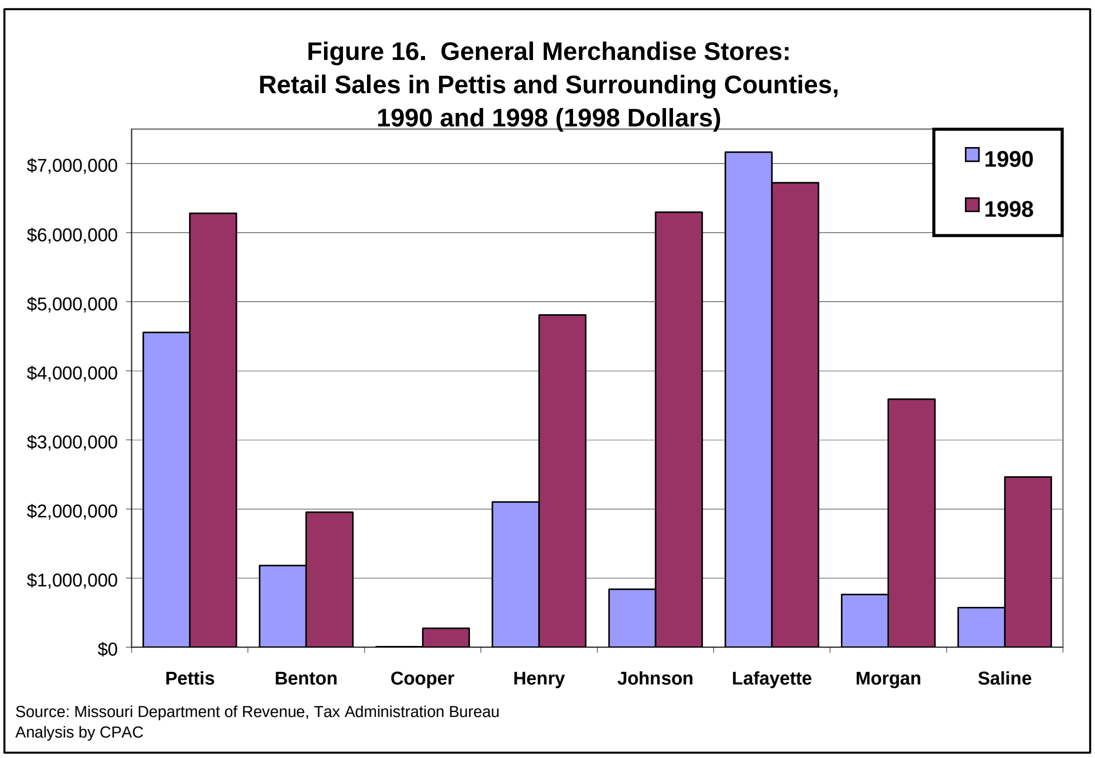
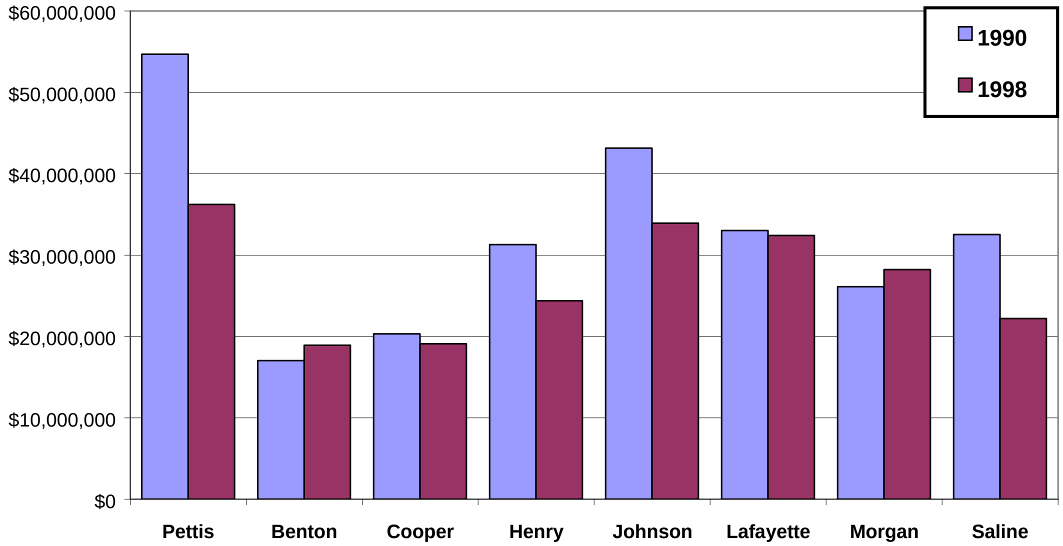


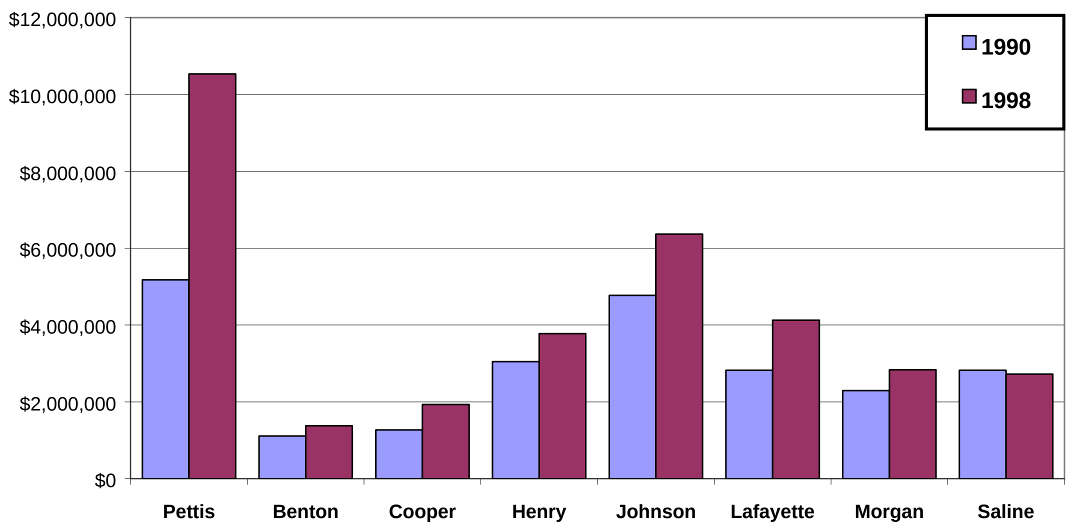
Figure 16. General Merchandise Stores:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
1990
1998
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Figure 17. Food Stores:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)

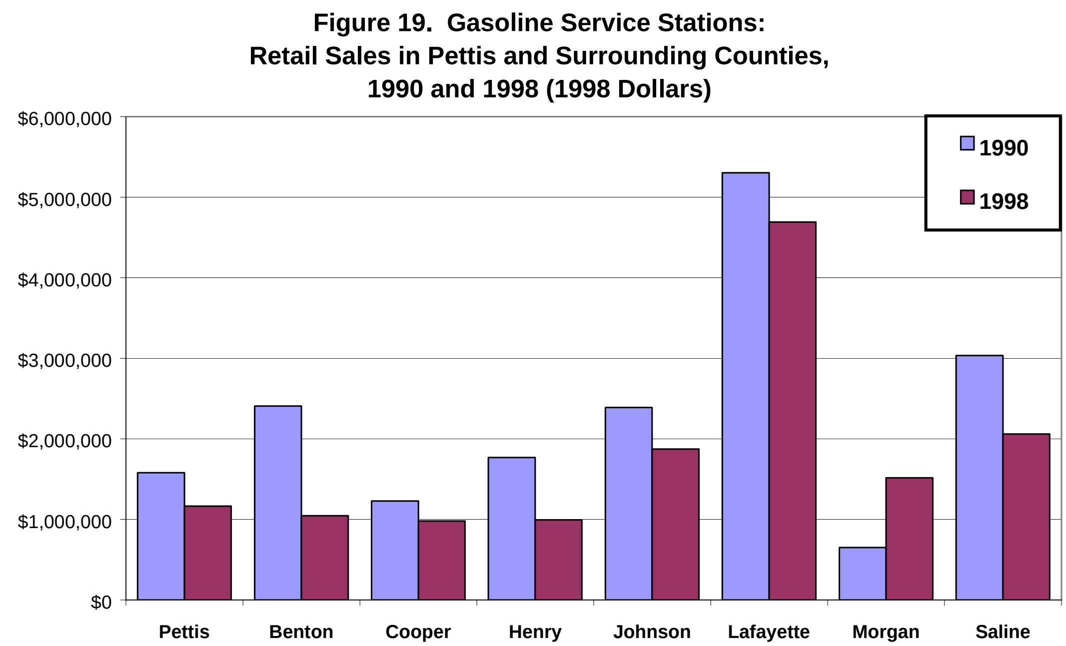


Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

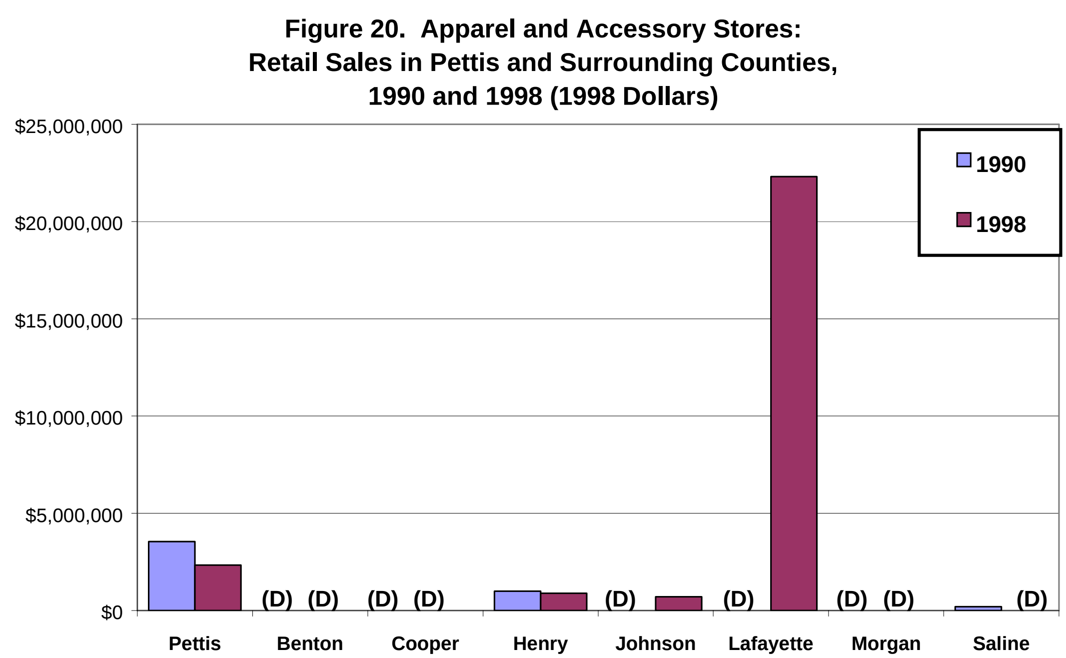
Figure 18. Automotive Dealers (Gas Stations Exlcuded):
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC



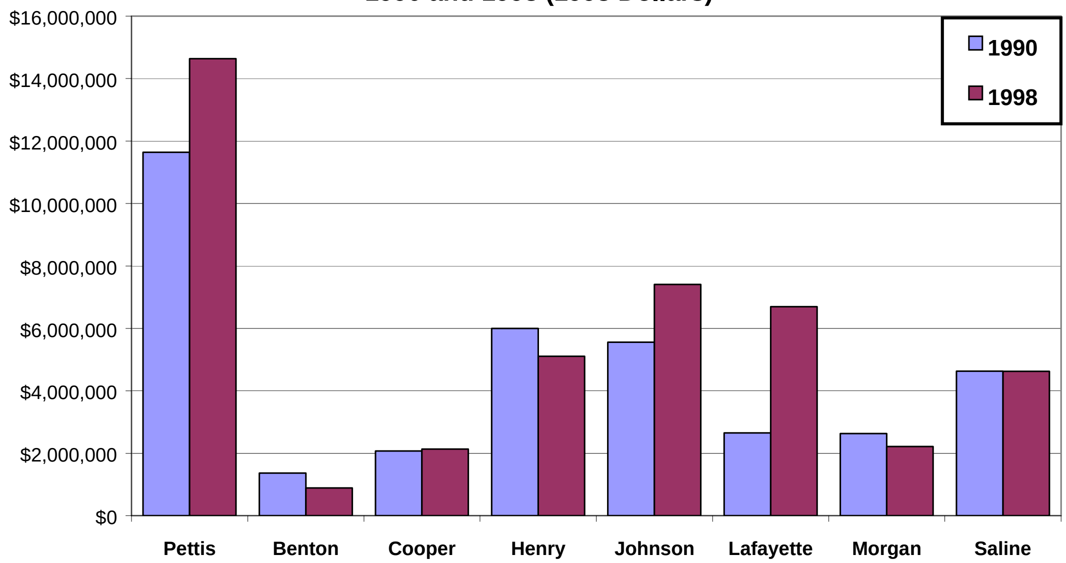
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

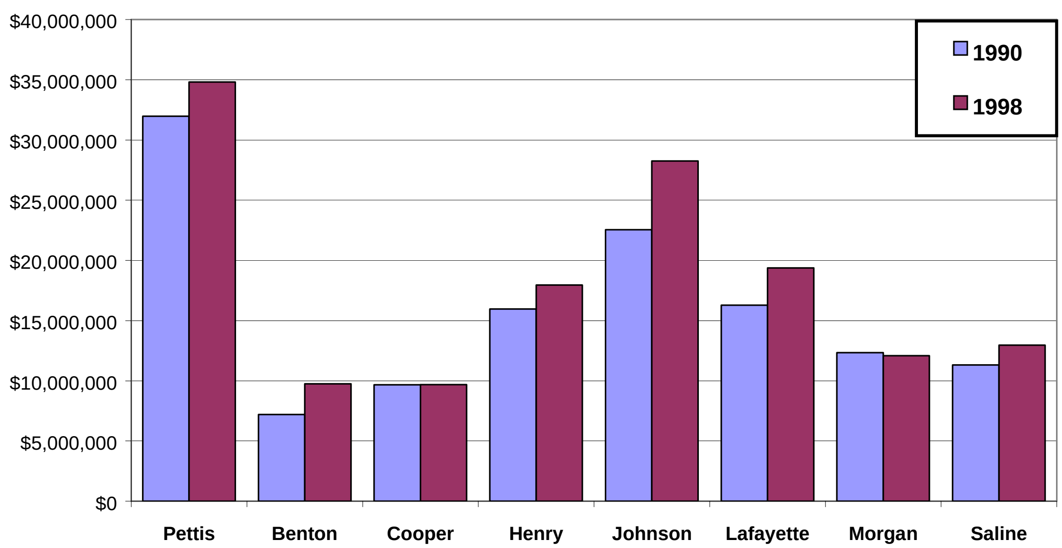
(D) = Data not disclosed

Figure 21. Furniture and Home Furnishings Stores: Retail Sales in Pettis and Surrounding Counties, 1990 and 1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Figure 22. Eating and Drinking Places: Retail Sales in Pettis and Surrounding Counties, 1990 and 1998 (1998 Dollars)



Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

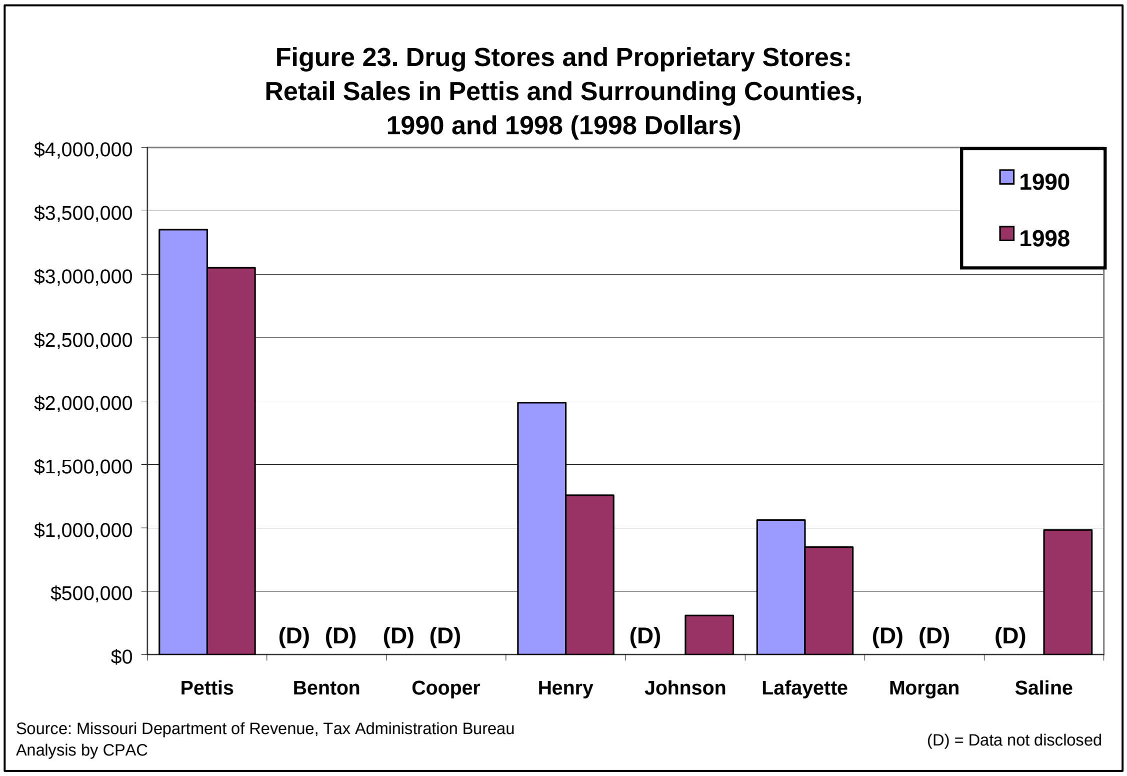


Figure 23. Drug Stores and Proprietary Stores:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
1990
1998
(D) (D) (D) (D) (D) (D) (D) (D)
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC
(D) = Data not disclosed

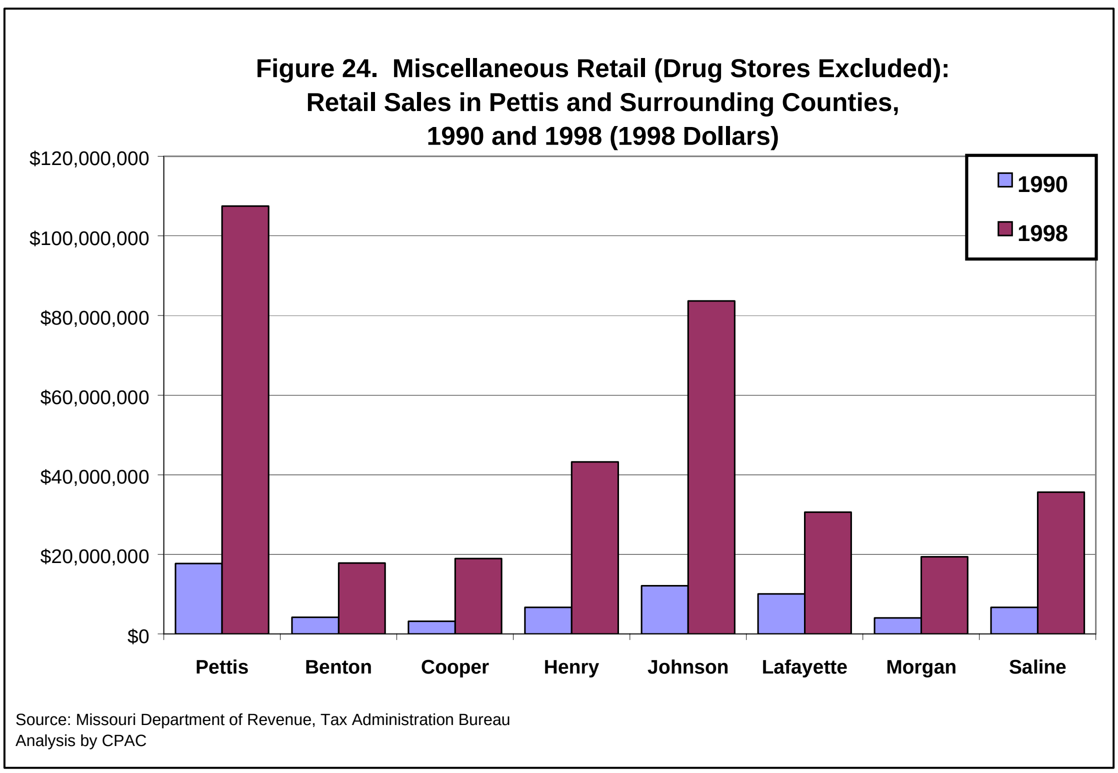


Figure 24. Miscellaneous Retail (Drug Stores Excluded):
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0
1990
1998
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

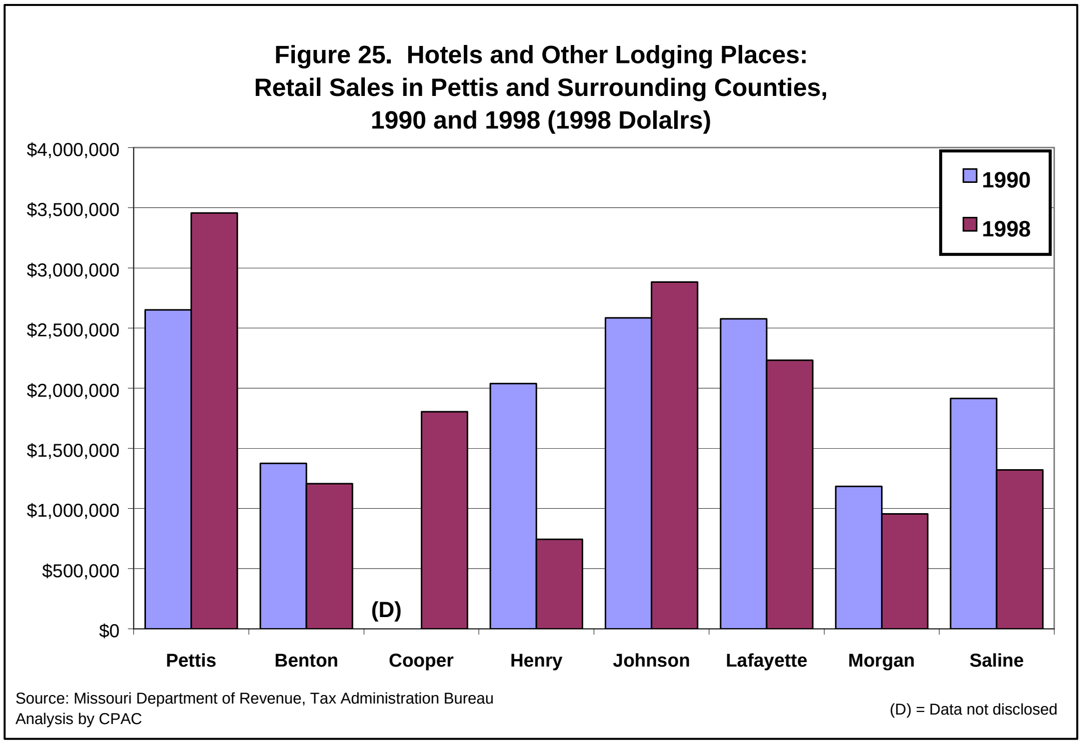


Figure 25. Hotels and Other Lodging Places:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dolalrs)
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
1990
1998
(D)
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC
(D) = Data not disclosed

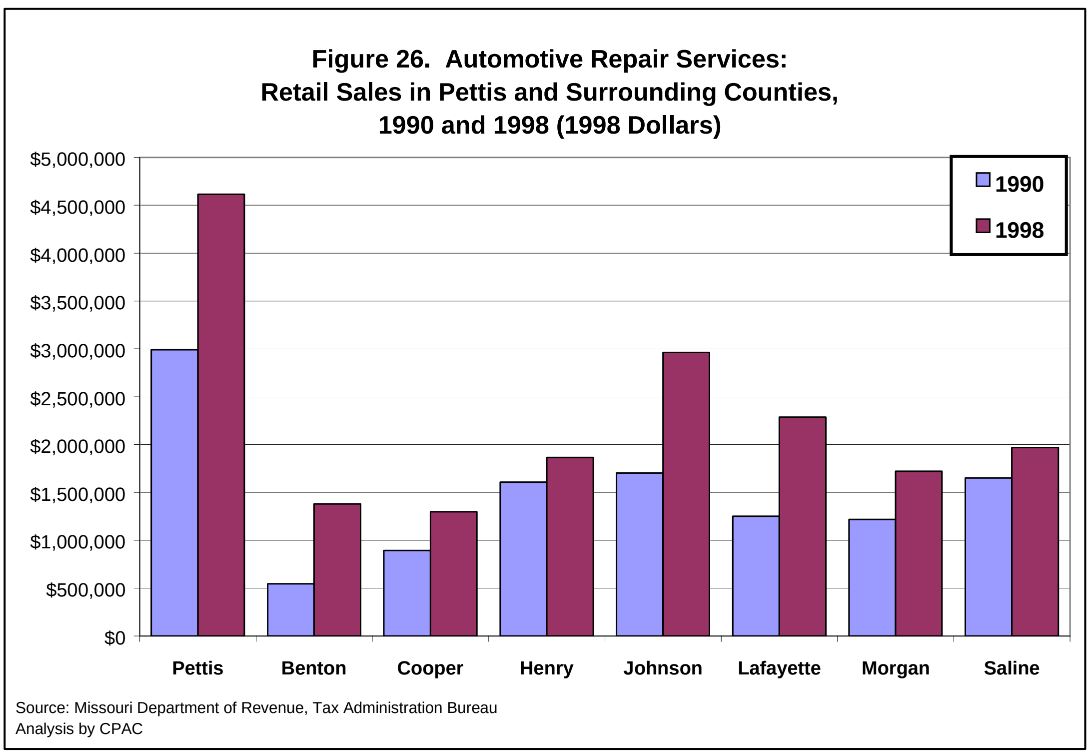


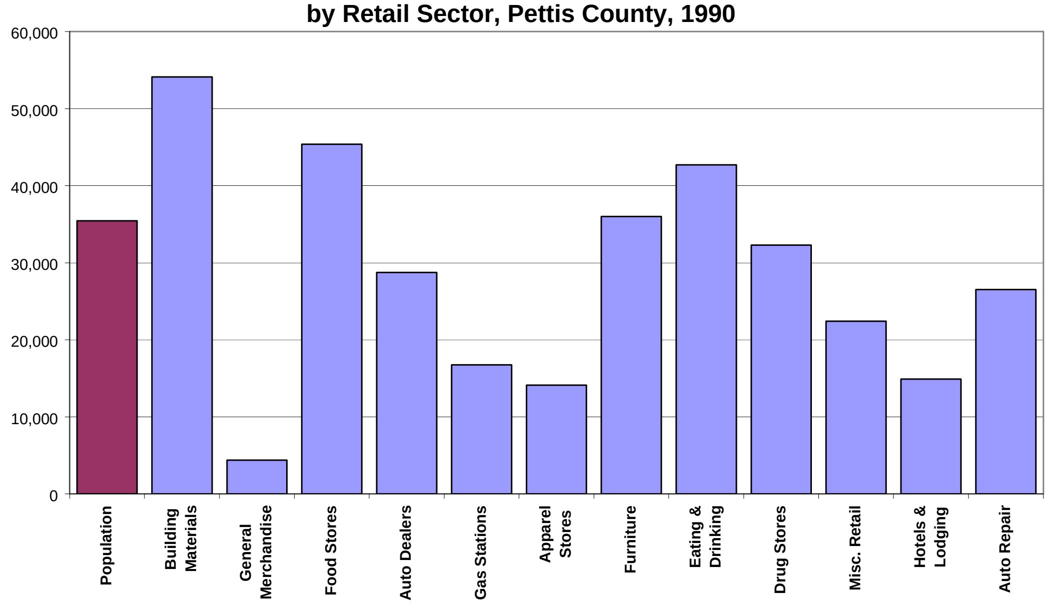
Figure 26. Automotive Repair Services:
Retail Sales in Pettis and Surrounding Counties,
1990 and 1998 (1998 Dollars)
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
1990
1998
Pettis
Benton
Cooper
Henry
Johnson
Lafayette
Morgan
Saline
Source: Missouri Department of Revenue, Tax Administration Bureau
Analysis by CPAC

Pettis County's strength as a regional trade center is evident by looking at the retail sales levels in the different retail categories. Compared to the surrounding counties, Pettis County has higher levels of retail sales in almost all of the categories. Exceptions are general merchandise stores (figure 16), gasoline service stations (figure 19), and apparel and accessory stores (figure 20), where retail sales in Lafayette County exceed Pettis County.

Retail Trade Analysis by Retail Category

The following section provides a detailed analysis of the retail sector in Pettis County, broken down to the retail categories explained in the previous section. The following figures provide analysis of trade area capture, pull factor and potential sales by retail category for Pettis County in 1990 and 1998.

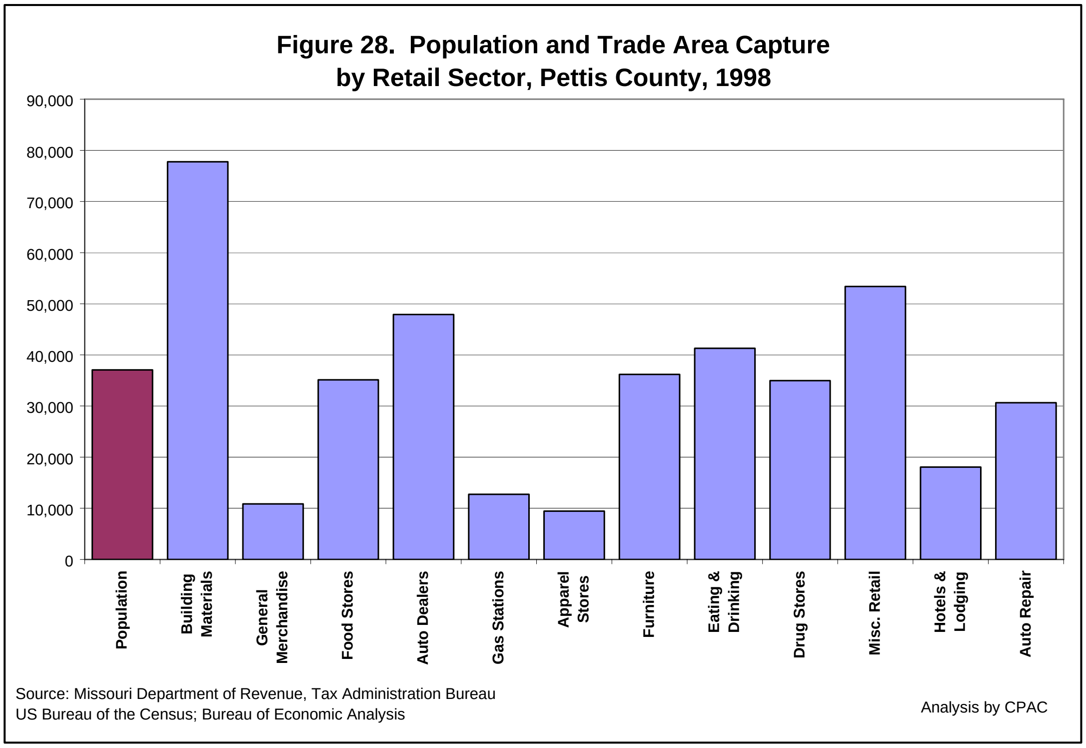
Figure 27. Population and Trade Area Capture by Retail Sector, Pettis County, 1990



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis

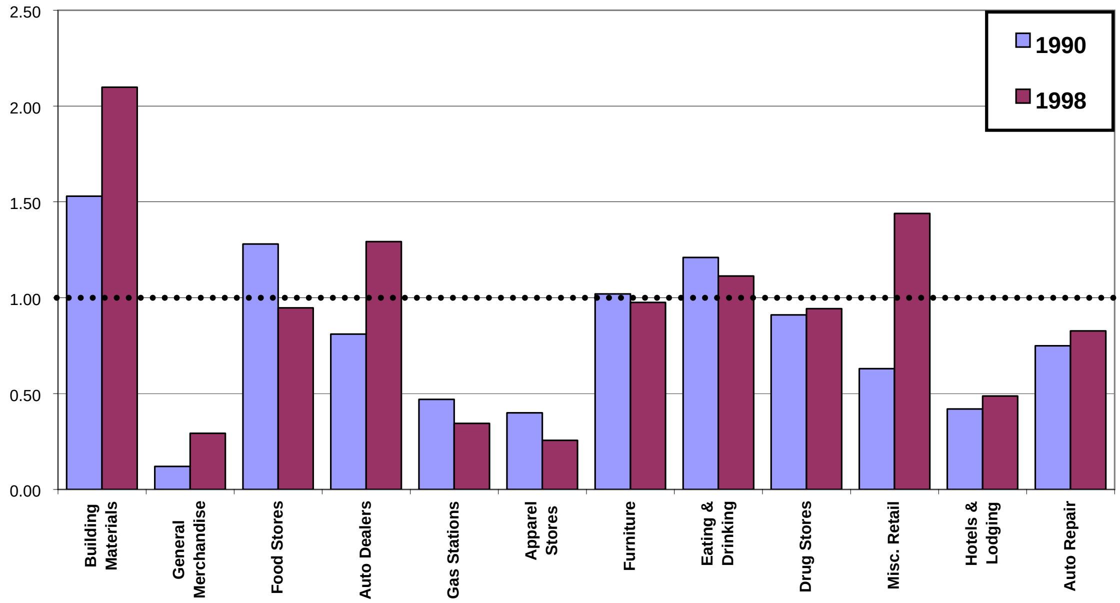
Analysis by CPAC

Figures 27 and 28 shows the population (first bar) and the trade area capture for Pettis County for 1990 (figure 27) and 1998 (figure 28) by retail category. Each bar representing the trade area capture should be compared to the population bar. Where trade area capture is greater than population for the given year, Pettis County is drawing consumers from outside its borders. Where population is greater than the trade area capture, Pettis County businesses are not meeting the demands of its local residents.



The trade area capture exceeds population for many of the retail categories in both years: building materials, furniture stores, eating and drinking places. Trade area capture in general merchandise stores, gas stations, apparel stores and hotels and lodging places are less than population in both 1990 and 1998.

Figure 29. Pull Factor by Retail Sector,
Pettis County, 1990 and 1998



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis

Analysis by CPAC

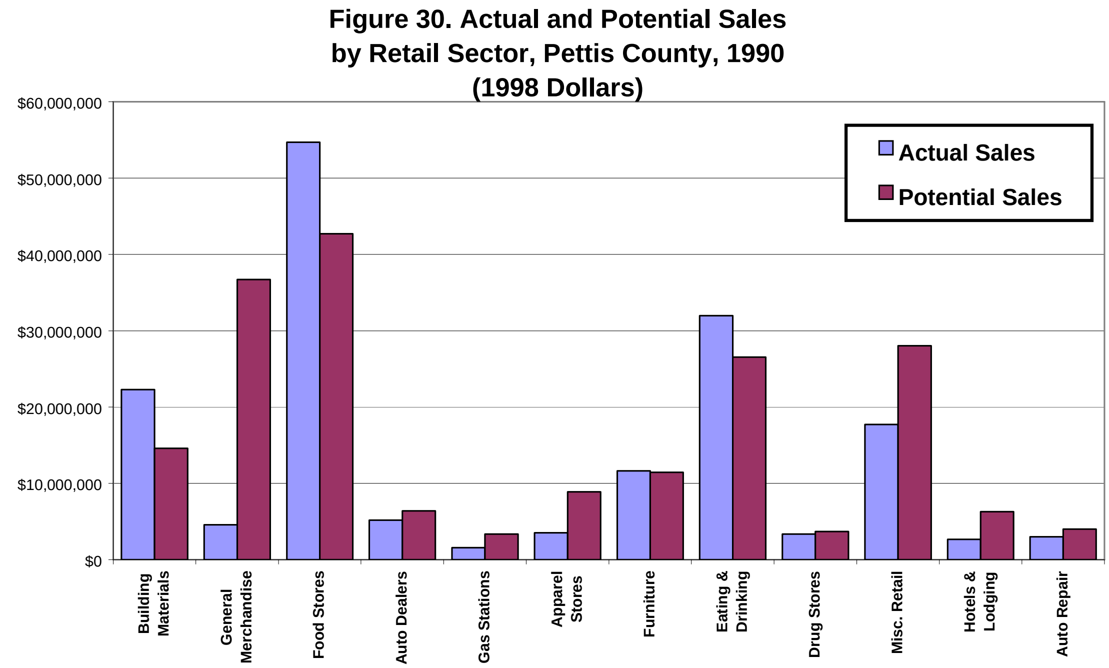
Figure 29 shows the pull factor for each of the retail sectors for 1990 and 1998. Pull factors greater than one indicate that Pettis County is attracting consumers from outside the county. It could also indicate the Pettis County residents are spending more on retail sales than the state average. The building materials sector has the highest pull factors in both years, indicating strength in that sector in drawing consumers. Eating and drinking places also have pull factors over one for both years.

A pull factor less than one indicates that Pettis County businesses are not fully meeting the demands of local residents. It could also mean that local residents are spending less than the state average on retail sales in that category. Pull factors for general merchandise, gas stations, apparel stores, and hotels and lodging are quite low – less than 0.5.

Figures 30 and 31 show the actual and potential sales by retail sector for 1990 (figure 30) and 1998 (figure 31). Where actual sales exceed potential sales, Pettis County is capturing 100 percent of the local market (assuming average state expenditure levels) and drawing consumers from other areas. Where potential sales lag actual sales, Pettis County businesses are not fully meeting demands of local residents.

In 1990, actual sales exceeded potential sales in the building materials, food stores, and eating and drinking places sectors. In 1998, actual sales exceed potential sales in the building materials, eating and drinking, and miscellaneous retail sectors. In these sectors, Pettis County is drawing consumers from a broader area.

In sectors where potential sales far exceeded actual sales in 1990, the gap narrowed between then and 1998, indicating a strengthening of those retail sectors. While the gap indicates that local businesses are not fully meeting local demands, a larger share of the local market is being captured.



Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis

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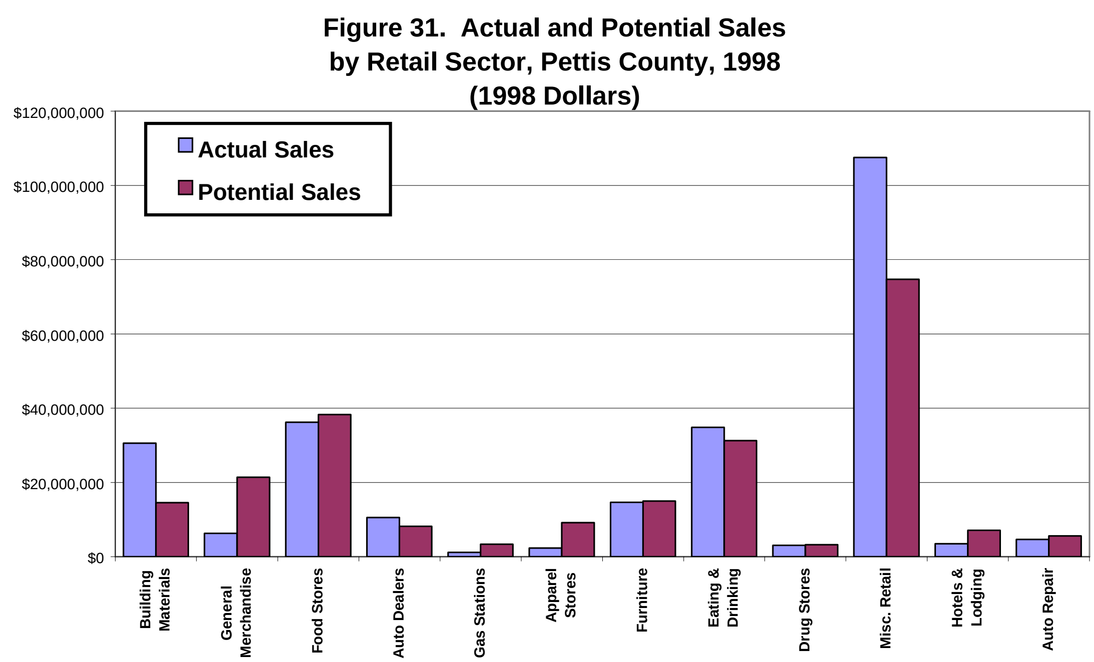

Source: Missouri Department of Revenue, Tax Administration Bureau
US Bureau of the Census; Bureau of Economic Analysis

Analysis by CPAC

Issues to Consider

Retail trade analysis provides local decision-makers with information about their current retail situation and prospects for expansion. The analyses presented in the report are for large retail categories and should not be used to predict the profitability of individual businesses. Moreover, these statistics indicate recent trends in retail categories, but not why these trends have occurred. Local citizens and leaders familiar with the community should attempt to identify reasons for changes in the local economy. By knowing the relative strengths and weaknesses of a community's retail sector, merchants and community leaders can capitalize on areas of opportunities.

In general, county retail sales can be increased when:

- Existing firms capture more retail dollars from local residents
- Existing firms increase sales to in-commuters or tourists
- New retail firms fill a gap in the local retail sector
- Local demand for retail goods increases

The first two strategies tend to shift retail sales within a larger region, while the latter two strategies create or increase demand for retail goods, and make the retail development more than a "zero sum game" within the larger region.

There are many strategies for increasing local retail sales within a community. An important component to any strategy is gaining an understanding of why people choose to shop or not to shop in Pettis County. A marketing survey is one tool that can help determine which issues need to be addressed to induce people to shop within the county.

Understanding the local retail sector becomes even more crucial given the changes occurring nationwide. First, there has been an increased concentration of sales in large, multi-purpose "super centers." These large centers draw many customers into the local areas, and the large center acts as an anchor in a shopping center. In some cases, these large centers have had a detrimental effect on smaller, locally owned retail firms. A second major change occurring in the retail industry is the increased use of catalog, mail-order, and Internet shopping. These forms of non-local shopping often replace local shopping. A study by *Shop.org* and *The Boston Consulting Group* project that Internet sales will reach $61 billion in 2000. If Internet purchases grow as much as projected, there will be substantial impacts on local retailers and all levels of government that depend on retail sales for revenue. These are important issues that should be considered in any retail trade development effort.

The Community Policy Analysis Center provides objective analysis and policy decision support for Missouri Communities. Located at the University of Missouri-Columbia, CPAC is part of the Social Sciences Unit of MU's College of Agriculture, Food and Natural Resources. Major funding for the Center is provided by University of Missouri Outreach and Extension.

CPAC scientists work closely with state and local government leaders, local businesses and community groups to provide research and educational programs that will inform key decisions, and assist them in understanding how policy decisions at all levels of government affect their community's quality of life.

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